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Local Government Scrutiny and Governance: Limits and Possibilities

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Jonathan Wistow

**A Thesis Submitted for the Degree of Doctor of Philosophy in
the School of Applied Social Science, University of Durham
2006**



- 5 FEB 2007

**Abstract: *Local Government Scrutiny and Governance: Limits and Possibilities* –
Jonathan Wistow**

The central focus of this thesis is the role of scrutiny within the modernised system of local government and governance. The study was carried out from an insider-research perspective within the scrutiny team of a unitary authority. The scrutiny process provided a 'window' through which to analyse the development, and application, of New Labour's local government modernisation agenda. The thesis contains a critical examination of literature about the modernisation of local government and, in particular, the role of the scrutiny function. This discussion is located within broader literatures about governance and the changing role of local government.

It is argued that, while there is scope for manoeuvre at both national and local levels, global trends have provided powerful drivers for policy development and the subsequent fragmentation of the nation state. Empirical data were obtained through case studies of four scrutiny inquiries, selected to permit an exploration of limitations and possibilities of local government scrutiny within this context of globalisation and the shift from government to governance.

An analysis of the case studies highlighted the importance of four factors in explaining variations in governance outcomes; risk to legitimacy, public/pressure group engagement, regulation/hierarchy and certainty/agreement. In light of these findings it is concluded scrutiny is an imperfect tool within an imperfect (governance) system. However, the local government modernisation agenda had created a number of new opportunities for local government, and scrutiny, to function more effectively in the current governance context.

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CONTENTS	Page
List of Tables	9
1) Chapter One: Introduction and Methodology	10
1.1) Introduction	10
1.2) Research Issue/Problematic	11
1.3) Research Problem	19
1.4) Research Strategy	25
1.5) Research Methods	29
1.6) 'Working' Conceptual Framework	34
1.7) Conclusion	36
2) The Local Government Modernisation Agenda and Scrutiny	38
2.1) Introduction	38
2.2) A Brief History of Local Government	38
2.3) The Local Government Modernisation Agenda	40
2.3.1) Political Management Structures	41
2.3.2) Continuous Service Improvement	42
2.3.3) Democratic Renewal	47
2.3.4) The Well-Being Powers, Community Leadership and Partnerships	49
2.4) The Overview and Scrutiny Function	51
2.4.1) The Roles and Powers of Scrutiny	51
2.4.2) Constraints on Scrutiny	56
2.4.3) Evaluative Criteria for 'Good' Scrutiny	58
2.5) Conclusion	60

3)	Governance	62
3.1)	Introduction	62
3.2)	What is Governance?	62
3.3)	Why Governance Now?	63
3.3.1)	Global Trends	64
3.3.2)	Governing in Governance	70
3.3.3)	General Governance Conclusions	77
3.4)	The National Level	79
3.5)	The Local Level	86
3.5.1)	Local Governance	86
3.5.2)	Local Government in Local Governance	91
3.6)	Conclusions	97
4)	Partnerships and the Local Governance Context	99
4.1)	Introduction	99
4.2)	Partnerships	100
4.3)	Local Strategic Partnerships	105
4.4)	Hartlepool's Governance Framework	110
4.4.1)	The Local Authority	110
4.4.2)	The Partnership	114
4.4.3)	Summary	116
4.5)	Links to Scrutiny	117
4.6)	Conclusion	119
5)	'Ghost Ships' – Case Study	121
5.1)	Introduction	121
5.2)	Background and Purpose of the Inquiry	121
5.3)	Role of Scrutiny	123

5.4)	Governance Actors Involved	124
5.5)	Conduct of the Inquiry	131
5.6)	Discussion	136
5.7)	Conclusion	142
6)	Flooding – Case Study	143
6.1)	Introduction	143
6.2)	Background and Purpose of the Inquiry	143
6.3)	Role of Scrutiny	145
6.4)	Governance Actors Involved	145
6.5)	Conduct of the Inquiry	149
6.6)	Discussion	160
6.7)	Conclusion	164
7)	Skateboarding – Case Study	166
7.1)	Introduction	166
7.2)	Background and Purpose of the Inquiry	166
7.3)	Role of Scrutiny	167
7.4)	Governance Actors Involved	168
7.5)	Conduct of the Inquiry	170
7.6)	Discussion	181
7.7)	Conclusion	186
8)	Health Inequalities – Case Study	187
8.1)	Introduction	187
8.2)	Background and Purpose of the Inquiry	187
8.3)	Role of Scrutiny	191
8.4)	Governance Actors Involved	192

8.5)	Conduct of the Inquiry	195
8.6)	Discussion	204
8.7)	Conclusion	209
9)	Governance Drivers and Constraints	211
9.1)	Introduction	211
9.2)	Governance Drivers and Interactions	213
9.3)	Opportunities and Constraints on Local Government within the wider Governance System.	230
9.4)	Conclusions	237
10)	Scrutiny, Governance and the State	238
10.1)	Introduction	238
10.2)	Meeting the Aspirations, Expectations and Responsibilities of Scrutiny	238
10.3)	Influence of scrutiny on wider processes of governance	242
10.4)	Certainty and Agreement in the Scrutiny Case Studies	249
10.5)	Cross-cutting themes	262
10.6)	Conclusion	272
11)	Conclusions: Limits and Possibilities of Local Government Scrutiny in Governance	275
11.1)	Introduction	275
11.2)	Polarised Views of Scrutiny	275
11.3)	Failure in Governance and Governing	276
11.4)	Implications on Scrutiny Processes	277
11.5)	Implications on Scrutiny Outcomes	285
11.6)	Recommendations for Practice	288
11.7)	Strengths and Weaknesses of the Study	292

11.8) Conclusion 294

Appendix A: Community Strategy Themes 296

Appendix B: Data Collection from Scrutiny and ‘other’ Council Meetings 300

Bibliography 305

List of Tables	Page
Table 1: Portfolio Holder Responsibilities part a	111
Table 2: Portfolio Holder Responsibilities, part b	112
Table 3: Local Partnership, Executive, Service Department and Scrutiny Arrangements	115
Table 4: Evidence of governance arrangements and drivers for the scrutiny case studies.	217
Table 5: Evidence of the case study authority being enabled or constrained by the local government modernisation agenda for the scrutiny inquiries.	231
Figure 1: The Ghost Ships certainty/agreement.	252
Figure 2: Flooding certainty/agreement	256
Figure 3: Skateboarding certainty/agreement	259
Figure 4: Health Inequalities certainty/agreement	262
Table 6: Scrutiny Process Findings	278
Table 7: Scrutiny Outcome Findings	286

1) Introduction and Methodology

1.1) Introduction

This chapter introduces both the topic and methodology of this thesis. The first section outlines the key research issue and problematic under investigation. A number of key concepts are identified here and are followed by an overview of the contents of each of the chapters. The next section focuses on the research problem, namely how to investigate the impact of governance on local government scrutiny, and local authorities more generally. A number of key research questions operationalise the research issue here so that it can be investigated across the scrutiny case studies. The following section outlines the research strategy, which is followed by a section introducing the research methods that are applied to the research problem. Finally, I briefly introduce a 'working conceptual framework' as a conclusion to this chapter and a start-point for much of the discussion which follows.

It is appropriate to consider the methodology in the context of the overall investigative approach used in the thesis, which is why it is discussed here in the introductory chapter. The methodology is closely related to the overall structure of the thesis, which is a dialogue between a series of working concepts and evidence. The working concepts derive from reviews of the existing literature on local government modernisation and governance; from this a theoretical framework is developed; the framework is tested in the dialogue with evidence from the collection of data across a series of case studies; and this is done by operationalising the theoretical framework through a series of research questions. Each of these components tests the knowledge gained from the others and the structure of the thesis orders the data accordingly. Thus, what follows starts with a statement of the research issue as a theoretical problematic, moves on to state this more specifically as a research problem and set of research questions, explains the research strategy and detailed design as ways of addressing these questions, and concludes with a statement of the working concepts which informed evidence gathering. The working concepts form a provisional theoretical

framework that has guided what questions are asked, where to look to answer them and what to make of what is seen.

1.2) Research Issue/Problematic

The origins of this study lie in a partnership between Teesside University¹ and Hartlepool Borough Council (HBC), through the development of a professional doctorate funded by the council. Similar to a Research Council CASE studentship the doctorate was based on collaboration, which involved the student spending time learning about and supporting the scrutiny function in HBC. This established excellent access to the local authority, in particular through the 'window' that the scrutiny process provided on the role of a local authority. With this access, there was the opportunity to undertake an intensive case study of a single local authority, although the scrutiny exercises that form the main source of evidence for this thesis were treated as case studies in themselves, given their relevance to different aspects of the research problematic. The local context and how the scrutiny exercises have been used as case studies is considered in more detail later in this section, including the strengths and limitations of undertaking a study on a single local authority.

The key problematic I am focusing on is the role of local government in the local governance arena. Local government has undergone an extensive process of change since New Labour came to power in 1997. This process has widely become known as the local government modernisation agenda, which is explored in more detail later in this chapter and, in particular, in the next chapter. The scrutiny process is a key strand of the local government modernisation agenda, in particular for non-executive councillors through providing a mechanism to hold the council's executive and partners to account and develop recommendations for policy development. It is the 'window' through which the study examines the role of local government in governance. Consequently, the limits and possibilities of local government scrutiny and governance are explored through this 'window'. The theoretical and policy implications of the emerging/emergent governance context, with particular reference to the so-called 'hollowing out' of the state, and the

¹ The student subsequently transferred to Durham University part way through the period of study and registered for a Phd.

impact of global trends on this, are explored in a literature review². From this the following key concepts have emerged at the general level:

- Governance;
- Partnerships;
- Power;
- Globalisation/Post-modernity;
- Risk;
- Hollowing out of the state; and
- Accountability.

These concepts, in relation to the key problematic, offer a working conceptual framework for analysing scrutiny processes and outcomes in Hartlepool. Consequently it is necessary to test this framework against empirical experience gained from my participant-observer role in the case study local authority.

A key question emerging from the governance issue and central to my key problematic is the potential for scrutiny (and indeed local authorities) to effect change in the governance system. The role of scrutiny provides a window through which governance arrangements are explored in this thesis. The impact of wider governance systems on scrutiny is, therefore, an important factor in determining the 'policy landscape' within which scrutiny's influence is exerted. I am exploring this through situating the modernising local government agenda within broader debates on governance in the academic literature (see for example Stewart 2003, Stoker 1998, 2000 & 2002, Wilson and Game 2002, Newman 2001, Jones and Stewart 2002, Goss 2001, Bevir and Rhodes 2003, Snape et al 2002) before considering the role of scrutiny within this context. Having established a theoretical framework for considering local government and scrutiny in the local governance landscape I then move on to test this framework. This will be achieved by using documented examples of scrutiny exercises in the case study authority as a means of accessing areas of governance as they relate to the scrutiny issue. This will not provide a complete picture of the local governance landscape for the locality, which is beyond the

² In particular in chapter 3.

scope of my work, but will instead focus on sample areas of this landscape judged as important to the well-being of Hartlepool and its residents. Due to the complexities of governance arrangements a focus on depth rather than breadth of understanding has been deemed preferable. This is because it is better to have a fuller understanding of governance for a few issues rather than a shallow understanding of the governance of a whole locality.

Chapters two to four are informed by a literature review of government policy and academic literature geared towards local government and governance, and associated concepts and policy ranging from globalisation to partnerships. Through exploring the themes arising here (and outlined below) a background to the workings of a local authority and specifically its scrutiny function are described and provide a provisional theoretical framework for the organisation of my empirical material. This provides both the context for exploring the scrutiny case studies in the following chapters, and the basis for the theoretical propositions that are tested through these case studies. The final chapters (nine to eleven) will return to the theoretical framework to consider the extent to which this has successfully 'modelled' at a general, conceptual level what has been found in practise.

Chapter two introduces and examines the local government modernisation agenda, which was introduced by the New Labour government in *Modern Local Government: In Touch with the People* (DETR, 1998). The government identified local government as inward looking and paternalistic (DETR, 1998) whilst committing itself to strengthening local government. Consequently the three themes³ of improved political management, continuous service improvement, and democratic renewal, emerged as the drivers for the modernisation agenda. These themes were legislated for in the 1999 and 2000 Local Government Acts. Pratchett (2002:331) comments that, 'a dual emphasis on democracy and continuous service improvement meant that every aspect of local government life, from the role of elected members through to the delivery of each service, was subjected to the 'modernisation treatment.'

A key component of the reform of political management structures was the introduction of the new overview and scrutiny function. It is, perhaps, the most substantive role for non-

³ In chapter two I add a further theme of 'well-being powers, community leadership and partnerships' to fit with the overall theme of this thesis.

executive councillors as a result of the separation of roles from the executive, under the Local Government Act (LGA) 2000, and forms the basis of an insider-research⁴ approach. Consequently the scrutiny mechanism is unpacked and explored, and a particular focus here is on the roles, powers and potential influence of the scrutiny function. A critical factor alluded to in this chapter and explored throughout the thesis is the notion of an emerging (or emergent) local governance arena, which poses questions about the role and capability of scrutiny in the broader local governance context.

The government's agenda for modernisation has been set within a broader context that can be viewed through 'cultural analysis'. Newman (2001:7) sees, 'public and social policy as fields which are socially constructed: that is, problems and solutions are formed within the framework of particular narratives, ideologies and assumptions. Successful narratives are those that come to be taken for granted or viewed as "common sense".' For this reason the *direction* and *nature* of change are just as important as the quantity and quality of change. I will argue that many of the underlying causes, of the problems identified in the modernising local government agenda are, themselves, embedded in the dominant narrative shaping the government's agenda. In this respect chapter three focuses on the impact of global trends and their relationship to the concept of governance, and introduces a provisional theoretical framework prior to the accounts of my empirical work. It will examine the role of a number of key drivers in the transition from the local state as local government to the local state as one player in a system of local governance.

With the emergence of a variety of actors delivering public services in localities some sort of governance solution is necessary to rationalise and co-ordinate the relationships and policy of these bodies. Consequently chapter four focuses on the concept of partnerships as a local governance solution. The role of Local Strategic Partnerships (LSPs) as co-ordinating and co-governing mechanisms is examined in light of the increased plethora of local bodies and partnerships. In addition the governance landscape in Hartlepool is described. This provides a base on which to map the scrutiny case studies.

⁴ Which is explained in more detail below.

Undertaking research on a single local authority has enabled an intensive research strategy to be adopted, with a level of detail that would not be possible for a single PhD student researching across more than one authority. Part of this detail is to understand the Hartlepool context, where national initiatives like local government modernisation and, more specifically, elected mayors have worked out in unique ways. Indeed, embracing more than one authority in the study would have invited generalisation that inevitably loses the contextual detail of how wider processes such as globalisation or policy change work out in a single place.

Hartlepool is a town situated in the North-East of England, with a population of 90,000 people. According to Morris (1995:4) it represented, 'an extreme case of the social and economic changes that characterised Britain in the 1980s; a town once dominated by male employment in heavy industry has passed through a series of transitional phases to emerge with a local economy weakened in every sphere.' Whilst the town has undergone significant regeneration over the past 10 to 15 years Hartlepool remains a relatively deprived town, with nine out of the seventeen wards in the top 10% of deprived wards nationally, according to the 2000 Index of Multiple Deprivation (IMD) (Reilly and Eynon, 2003). The remaining wards fell between 10 and 50% of the most deprived wards nationally. Against this backdrop of deprivation Hartlepool has been rated as an 'excellent' council, under the Comprehensive Performance Assessment (CPA), since 2002 and has remained a 'top performing' council for the past four years.

Hartlepool council has undergone considerable change in its political make-up in recent years. Having controlled the council for more than 20 years the Labour Party progressively lost seats towards the end of the 1990s. In 2000 the Conservatives and Liberal Democrats formed a joint political group known as the 'Alliance' and did not contest the same seats during that year's election. Consequently, the Alliance controlled the council between 2000 and 2002 with a majority of councillors. However, in 2002 the Alliance broke up and the Labour Party became the largest political group once more, but in a hung Council. In 2004 the Labour group once again became the majority party, with a majority of one councillor.

Perhaps more significantly since May 2002 the council has been functioning with a directly elected mayor as leader. The mayor does not belong to any political group and was elected under the guise of the local football team's mascot and had no political experience prior to being elected. The mayor, prior to and following his election, publicly expressed his distaste for party politics and has subsequently failed to (through a combination of being unwilling and unable⁵) foster meaningful alliances with the majority of councillors. The mayor's cabinet has varied between five and seven members between 2002 and 2004. During this period there was at all times a single Conservative portfolio holder, between two and three independent cabinet members (including the mayor), and the rest of the portfolios were taken by Labour councillors.

The period of study between 2002 and 2004 took place during fairly turbulent times politically. During this period councillors were adjusting to new political management arrangements set against the rapidly changing political make-up of the council and the election of an 'anti-political' independent mayor with considerable power but limited experience. Indeed the case study authority is somewhat unusual given that it is one out of eleven local authorities (during the period of study) operating a mayoral system under the new political management structures. It is necessary to acknowledge that recent research conducted by Manchester University's Evaluating Local Government Team⁶ has suggested that scrutiny is better understood and in fact works better in mayoral systems. This has implications for the generalisability of this study, as does the uniqueness of the elected mayor (highlighted above) leading the case study authority. However, the focus of this study is not only on the limits and possibilities of local government and scrutiny in the emerging governance system (i.e. looking top down), and making generalisations from this, but also on building an understanding (from the bottom up) about the broader governance system all local authorities work within, which is developed using the scrutiny case studies as a window. In this respect the case studies are holistic and global in design (Yin 2003).

⁵ Through a lack of experience and political skills on his part and also resentment amongst the major political groups at his election there has been an unwillingness amongst local councillors to enter into sustained partnership with the mayor.

⁶ According to evidence given by Professor Gerry Stoker at a joint Durham / Teesside University 'Urban Futures Seminar' in May 2006.

Over the course of the period of study the scrutiny function was supported by between 1.5 and 2 full time equivalent council officers. Initially the democratic services manager⁷ (DSM) was responsible for managing both scrutiny and democratic services (the clerking of all meetings) support. Within the scrutiny function he was supported by two⁸ part-time scrutiny support officers (both with backgrounds in research). For an additional three months a senior scrutiny officer⁹ was appointed and overlapped with these arrangements – although they also exercised some responsibilities as a policy officer within the corporate strategy department whilst the DSM reduced his scrutiny role. Just less than one year into the study period the DSM left the authority and the senior scrutiny officer assumed the role of full-time scrutiny manager, with the continued support of two part-time scrutiny support officers.

The authority has four scrutiny forums (resources, environmental stewardship and regeneration, health and social care, and culture and leisure) which are co-ordinated by the scrutiny co-ordinating committee. Indeed the primary role of the scrutiny co-ordinating committee is to co-ordinate the scrutiny work programme so as to avoid duplication amongst scrutiny forums and to resolve any issues of dispute between these. The scrutiny forums choose scrutiny topics at the start of the municipal year. Scrutiny co-ordinating committee then approves the annual overview and scrutiny work programme and manages any referrals to scrutiny from the executive or council over the course of the municipal year. During the period of study the chairs of the scrutiny forums were allocated to three Labour chairs and one Conservative, the Conservative chair remained constant for this period (chairing the culture and leisure scrutiny forum), whilst the Labour chairs were shared between four councillors over this period. The (Labour) chair of the health and social care forum also chaired scrutiny co-ordinating committee throughout the 2002-2004 municipal years.

⁷ This officer had worked for the authority for about ten years, firstly as a research officer and then as the DSM.

⁸ Of which the author is one.

⁹ This officer had a background in the private sector, mainly in public relations and advertising, and as a communications officer in another locality.

This thesis contains four in-depth¹⁰ scrutiny case studies, representing all of the major external scrutiny inquiries to take place in Hartlepool over the course of research. These external inquiries make up four of the sixteen major inquiries that took place during this period. Given the focus of the thesis on how a local authority relates to its wider environment, the decision was made to use the inquiries that investigated issues external to the authority but in which the authority was engaging as an agent of community well-being. In addition, Ashworth and Snape (2004) have argued that the external scrutiny role has tended to remain marginal because elected members have often focussed on perfecting the function (internally) before moving onto develop this broader role. There was, therefore, the opportunity in Hartlepool to research how an authority engaged with this broader role given the access that the student had to the scrutiny process. The research strategy section (see below) provides an outline of how each of the case studies will be structured. The case studies have been ordered in terms of a 'hierarchy of risk'¹¹ to the local authority. Consequently, the case studies are:

- Ghost Ships;
- Flooding;
- Skateboarding; and
- Health Inequalities.

Following the case study chapters, chapters nine and ten form the discussion component of the thesis. These chapters bring together the findings of the case studies set against the five core research questions (outlined below). The research questions, in turn, have been derived from the literature review of government policy and academic research in relation to the key concepts (outlined above) and into local government and scrutiny more specifically. Consequently, the case studies are illuminated by the analysis derived from thematic discussions based on the research questions. Finally, chapter eleven provides an overall conclusion to the thesis drawing together common themes about the limits and

¹⁰ Which are distinct from the one-off issues and statutory plans that are also explored by scrutiny.

¹¹ See chapter nine for a more detailed explanation of this.

possibilities of local government scrutiny and governance, and identifying a number of possible improvements to the system.

1.3) Research Problem

The central research problem for the thesis is how to examine the impact of the trends of governance on scrutiny inquiries. An associated aim of my study is to explore the role of local government in the broader governance landscape, as revealed through selected scrutiny exercises, and to make practical recommendations about the nature and scope of scrutiny in the light of this.

The unit of analysis for the study varies, to some extent, for each of the case studies. This is because the case study authority and its partners comprise a large component of the unit of analysis, but the influences of the wider UK and global governance context on this also need to be explored and taken into account. Consequently there are two strands to my unit of analysis, the first of which explores the UK and global influences on the policy context of governance for local authorities. This is identified as an enabling and constraining structure that defines the range of potential strategies and opportunities available to actors (Hay 1995:205). The second strand of the unit of analysis focuses on local authorities (in particular Hartlepool) and their role in the governance arrangements of localised governance issues. In discussing the importance of structure and agency, Hay (1995:205) argues that we must constantly ask, 'how processes external to the immediate unfolding of the events we are interested in have an impact (often in ways that are not immediately obvious) upon the context and the strategies, intentions and actions of the agents directly involved.' The boundaries between the two strands of the unit of analysis are not clearly defined, and therefore the theoretical propositions derived from them are not easily tested. This is a key research problem and one that is addressed through the research strategy of a single case study of a local authority that can be explored further through multiple case studies of scrutiny exercises within the local governance context. The case study inquiries were each chosen because they represent the closest relationship to the key research problematic of the limits and possibilities of local government scrutiny in governance, during a two year period of insider-research between 2002 and 2004.

The following research questions operationalise the research issue into a series of questions that can be investigated empirically.

- **Key Research Questions**

1) What are the principal drivers influencing the shift from government to governance and to what extent are they evident in each of the scrutiny case studies?

A variety of factors have acted as drivers for the modernisation of local government and for the enhanced role of local governance. New Labour has developed a modernisation agenda to equip local government to respond more effectively to those drivers (see above and chapters two and three). In particular, the changing role for local authorities has been encapsulated in the concept of vibrant community leadership through which councils are expected to ‘steer’ local governance systems rather than act solely as direct providers of public services. A central concern is whether this role can provide an adequate response given the constraints of those drivers on *government* locally and nationally.

This analysis leads to a distinction between exogenous and endogenous governance drivers:

1. *Exogenous*, global trends influencing the national and local governance arrangements; and
2. *Endogenous*, national policies, which develop as responses to global influences and provide the drivers for local governance arrangements.

A sub-set of issues relating to these exogenous and endogenous drivers can be derived from Weiss’ (2003) account of governance as a response to systemic risk. Consequently, the scrutiny case studies will explore the extent to which the relevant governance arrangements successfully respond to such risk through the process of governed interdependence¹². The case study approach (see below) is adopted in order to permit an analysis of the extent to

¹² See Weiss (2003) in chapter three.

which these drivers have a consistent impact in a range of different policy contexts and settings.

2) To what extent, and in what ways, do the new powers and roles of ‘modernised’ local government constrain or enable its contribution to wider systems of governance?

A number of subsidiary questions flow from this core research question. Has the local state’s powers/policy making capacity shrunk? Have they been distributed to other actors? It is clear that there has been a changing pattern of constraints and opportunities in terms of the wider potential for the institutions of local government to influence the patterns and outcomes of local governance. The potential constraints on local authority powers include:

- Funding –whilst the Local Government Act 1999 abolished crude and universal capping of local authorities, ministers retain the power to limit what they see as excessive tax rises. The threat of capping and its application remain as constraints on local authority behaviour and powers. In addition, there has been a shift towards increasingly ‘ring-fenced’ budgets, the principal example of which is the requirement that local authorities passport LEA money to schools, which means that councils cannot transfer money from this budget to other priority areas. This is a substantial constraint on local autonomy and budgetary discretion, which has the potential to limit the exercise of well-being powers and the wider community leadership role.
- Reduced roles in direct service delivery – New Labour’s local government modernisation agenda and earlier reforms by Conservative governments have reduced the scale of direct service delivery. Examples are in social care, where the provider role of the local authority has been substantially reduced, the local management of schools, and the transfer of council housing to registered social landlords.
- The Secretary of State has unprecedented powers for intervention under the Local Government Act 1999. This has been allied with further constraints on local

discretion through the growth of target setting, performance management and audit on the part of central government.

At the same time the local government modernisation programme offers a number of potential opportunities for the enhancement of councils' role and influence. These opportunities include:

- The new community leadership role has the potential to shape the whole local governance agenda. Local authorities are given the lead role here and they should seek to be *the* co-ordinating force, bringing together different institutions through developing an enabling role. There are three major vehicles for this role the LSP, the Community Strategy and Local Area Agreements.
- The new well-being power is linked to the above role. It has shifted the balance of local authority powers away from doing only what they are permitted to do, to allowing them to act for the well-being of their communities unless they are forbidden to do so. The impact of the culture created through the constraints listed above on this role will be explored through the case studies.
- Scrutiny provides a real opportunity for contributing to community governance. It is not limited to a role within local government but can look across the governance system and involve a range of stakeholders in its work, including the public. Consequently, scrutiny can be a vehicle for extending the role of local authorities and be a catalyst for bringing governance actors together to agree common goals and aims.

3) Are the powers, resources and capacity of scrutiny adequate for it to meet the aspirations, expectations and responsibilities generated during an inquiry?

Accepting that there is a wider governance context in localities (as the government seems to do in the 1998 White Paper 'Modern Local Government'), has implications for the scope of scrutiny as a tool/function. A critical issue is whether the powers, resources and capacity

allocated to scrutiny may relate to (or are more appropriate for) a local government, as opposed to a local governance context. If so, do such limited powers undermine the ability of scrutiny to function effectively in the wider governance context? What impact does this have on the aspirations, expectations and responsibilities of scrutiny? This is a key point because if scrutiny is not sufficiently ambitious to scrutinise beyond local authority functions it will not understand the context these functions operate within, and without this understanding the functions, roles and objectives of scrutiny will be incomplete or deficient. In consequence, the quality of scrutiny will be restricted by its limited understanding of the system within which it operates.

Scrutiny has the power to call witnesses, although only local authority and NHS officers are compelled to attend. It is also possible to call-in executive decisions and refer them back to the cabinet, which then must either change its policy or decline to do so and explain why to the relevant scrutiny body. Nevertheless, the key power of scrutiny is as an *influencer* through in-depth evidence based work the reports of a scrutiny committee can influence those with more direct decision making powers. Local authorities were not directly given any new resources for supporting scrutiny, although funding has gone to national bodies to disseminate best practice in scrutiny. Dedicated officer support and the councillors themselves are the key resources for the scrutiny function. The extent to which the powers, resources and capacity of scrutiny are adequate in relation to aspirations, expectations and responsibilities will be tested through the case studies.

4) To what extent is scrutiny as a process of local government reform able to influence wider processes of governance?

The potential for scrutiny to extend its values and influence across local governance processes is related to the powers of local government within the governance system. However, scrutiny is part of the wider governance system and its influence can extend beyond the formal powers of local authorities by making recommendations to and giving advice to external partners in the governance system. The influence of scrutiny in relation to this role is a key consideration of the thesis.

The scrutiny function has been created in local authorities to balance the new political management arrangements, act as a forum for councillors to represent the public to the council, and help integrate, within the wider local governance system, the council's role as a community leader. Through an investigative evidence-based approach councillors are expected to hold the council and external partners to account. Scrutiny is also intended to be a key influencer in the governance system, and must do so with no formal decision making powers. Many elected members are unhappy with the new political management structures of local authorities and they perceive a reduction in political influence, for the majority of councillors, over the management of local authorities (see, for example, SCTLG&R 2002 and Stoker et al 2002). Consequently a number of questions emerge in relation to the influence of scrutiny:

1. To what extent is scrutiny able to influence the executive function following the separation of the executive and scrutiny, under the local government modernisation agenda?
2. How far can scrutiny impact on the executive's influence in the community leadership role?
3. What other routes, if any, does scrutiny have into the community leadership role?
4. Does it have more or less influence in areas not directly managed by the executive?
5. What impact does scrutiny have over areas directly managed by the executive?

Modern councils operate within a wider governance system. What they do in localities cannot be understood fully without examining the vertical and horizontal power arrangements between local authorities and the various actors involved in the governance process. The following research question explores the changing role of the state and scrutiny's relationship to it.

5) What light does the study of scrutiny shed on the role of, and nature of the state locally and nationally?

While the influence of scrutiny is an important facet of this thesis, the scrutiny process also provides a window for scrutiny members, officers and participants into the role of, and nature of the state locally and nationally. Scrutiny is part of the local governance system and it is also part of the regulatory processes of governance. It is a reflection of the changing role of the local state, and also an instrument of it. Consequently, the scrutiny process offers the opportunity to explore the role of local government in local governance. Through undertaking scrutiny inquiries governance actors can come together for particular issues to explain what they do, and to work towards a common agenda. The extent to which this is happening will be explored throughout the case studies.

Governance is a rejection of the rigid polarization between the anarchy of the market and hierarchy of the state, in favour of *heterarchy*, i.e. horizontal self-organisation among mutually interdependent actors (Jessop 2000:15). The role of the state nationally and locally and the governance arrangements that exist across different sectors are important factors, which need to be explored here. Whilst governance and government exist at different levels and in different contexts so success at one level may be dependent on decisions and influences at other levels (Jessop 2000:19).

Kooiman (2003) identifies three orders of governance. The first of these entails day-to-day interactions between governance actors; the second involves the maintenance of the institutions, in which attention is focused on the structural aspects of interactions; and the third order is metagovernance, in which various norms are established that form a framework that directs and sets boundaries for governing at the first and second governance orders.

1.4) Research Strategy

The research strategy was for the researcher to have the role of a scrutiny officer, providing opportunities to acquire professional competencies in this role as well as take the approach of an insider-researcher engaging in reflective practice. The nature and extent of the access

gained from the insider approach provides a good basis for assessing the impact of the local government modernisation agenda on a local authority.

The work role involves the following elements:

- Attendance at all scrutiny meetings;
- Attendance at a limited number of scrutiny chairs briefings;
- Attendance at a limited number of cabinet meetings;
- Attendance at full council meetings;
- Formal and informal discussions with members and officers in the council;
- Working on reports and preparation of briefing notes for scrutiny meetings;
- Presenting reports; and
- Local knowledge from living and socialising in the town.

The research approach methodologically is, to a large extent, defined by the work role as the focus, scope and methods of the study must relate to the scrutiny process and the window it provides onto the governance landscape. Because the study is limited to one local authority I have adopted the case study method for my work. The single case study provides an opportunity for a detailed and intensive investigation, using methods of participant observation and documentary analysis (Ritchie and Lewis, 2003). The scrutiny case studies are 'embedded' in the single-case study of Hartlepool Borough Council; consequently the context involves grounded experience in a local authority through a participant-observer/reflective-practitioner role. The scrutiny case studies are holistic and global in design (Yin 2003:52). In this respect the 'whole system of governance' is explored through each individual case study for the topic under scrutiny.

The scrutiny process itself will be used as a basis for 'tracing' the outline of the system of governance. This is further informed through the structure I have used for the case studies, which is a combination of 'linear-analytic structures' (Yin 2003:152-3) and 'theory-building' (Yin 2003:154). The former starts with the issue or problem being studied and a review of the relevant prior literature, and then proceeds to cover the methods used, the findings from the data analysed and the conclusions and implications of the findings. The

latter is concerned with the development of a sequence of sections that will follow some theory-building logic, with each section revealing a new part of theoretical argument being made. Furthermore, through undertaking a multiple-case study approach, which includes multiple narratives and a series of questions and answers, the reader can make cross-case comparisons from the questions and answers to each individual case (Yin 2003:147-8). The case studies will be organised under the following headings, the reasons for which are explained below.

- **Background and Purpose of Scrutiny Inquiry** – it is necessary to establish the origins of each scrutiny inquiry and briefly describe the broader context from which it emerges. In addition it is important to summarise the reasons for topic selection – every scrutiny inquiry starts for a reason and this partially determines the route of scrutiny through the governance landscape. Particular scrutiny topics are chosen due to referrals from the executive/council; committee members expressing an interest in pursuing a topic; officers scoping issues, and getting member feedback; and in response to central government legislation or to statutory responsibilities e.g. through changes to health service provision in localities. The remit for inquiries are established at the start. This may change during an inquiry, but where an inquiry ‘comes from’ often determines the angle of the ‘window’ into the governance landscape. By tracking an inquiry from the outset the rationale, scope and appropriateness of the original purpose are tested. This should demonstrate both the impact of local governance on an inquiry, and also the impact of governance on the scope of the scrutiny process as a whole – and associated issues such as whether scrutiny should only focus on issues it can influence directly.
- **Role of Scrutiny** – there are commonly held to be four or five roles for scrutiny to undertake (dependent on whether the policy development and review role is separated). These five roles are: holding the executive to account; policy review; policy development; best value reviews; and external scrutiny (DETR, 2000). An inquiry does not have to be rigidly set within one of these roles but can cut across them. It is important to track which of these functions scrutiny fulfils during an inquiry so as to be able to judge the effectiveness of an inquiry in line with the

approach it takes. Furthermore the effectiveness of scrutiny generally within these various roles, can be tested here.

- **Governance Actors Involved** – it is important to identify the various actors who are involved in a scrutiny inquiry, and those who are not but have exerted some influence over the issue. There are different categories of actors involved in the governance process. A provisional list of these categories includes: council officers/departments; portfolio holders; government departments; regulatory bodies; regional and sub-regional arms of government; ‘other’ public bodies; private companies; public and community involvement; and the media.
- **Conduct of the Inquiry** – this section will provide a record of each of the scrutiny meetings, and also other council meetings such as cabinet and full council meetings of relevance to the scrutiny inquiry. The purpose of each of the meetings will be introduced and this will be followed by an overview of; the evidence provided, key issues raised and the findings reached during the meeting.
- **Discussion** – the final section of the case studies will be in the form of a general discussion of the lessons learnt from the case studies in relation to the key research issue of the limits and possibilities of local government scrutiny and governance. In addition a number of issues of relevance to the key research questions will be flagged up in this section, prior to a more systematic analysis of these in the discussion chapters.

The case study chapters are supported by systematic data collection based on a variety of sources of evidence gathered from the participant-observer role within the council. Consequently, the minutes and reports from each of the scrutiny meetings have been used as the basis on which the scrutiny case studies have been constructed. In particular, the ‘conduct of the inquiry’ sections in each of the case studies rely heavily on these documentary sources to provide an account of what happened at the scrutiny meetings. Appendix B provides a record of the minutes and reports that have been used for each of the case studies. The data collection here is further supported by a research diary based on my own account of each of the scrutiny meetings. Supplementary (hand written) notes and observations were also added to hand-outs and reports presented at meetings and have been used to add further insights to the case study data collection.

1.5) Research Methods

Robson (2002:382) argues that it is increasingly common for researchers to carry out a study directly concerned with the setting in which they work. This is not only a reflection of the growing influence of reflective practice in professional development but provides a degree of access that is not otherwise easily achieved: in other words, 'insider-research'. Robson (2002) argues that there are clear advantages with insider research. These include intimate knowledge of the context of the study and the politics of the institution (both its formal hierarchy and how it 'really works'), and that the researcher will know how best to approach people, and should have 'street credibility' as somebody who understands what the job entails. However, the insider research role has a number of disadvantages according to Robson (2002:382), which include having the dual role of being both a researcher and a colleague and thus being 'different' from co-workers; the possible discomfort of interviewing colleagues as 'research subjects'; having access to confidential or sensitive information; and more fundamentally achieving objectivity given the close contact with the host organisation and colleagues. However, some of these dichotomies are breaking down as reflective practice becomes a more common approach among public services professionals. And while the research is clearly undertaken from the 'standpoint' of a local government officer, it is referenced against a set of research questions framed for the purpose of intellectual enquiry rather than to serve one or other interest.

Insider research provides good opportunities for 'participant observation', given that the role by its nature requires participation and detracts from introducing a research instrument such as a questionnaire. Robson (2002:310) argues that a major advantage of observation as a technique is its directness – you do not ask people about their views, feelings or attitudes; you watch what they do and listen to what they say. Robson (2002) moves on to argue that data gained from observation contrasts with, and often usefully complements, insights gained from other techniques. In my case this approach complements and tests insights from my literature reviews and theoretical framework which were then used to inform my research questions. The use of the participant observer approach to the research was effectively given to the researcher through the nature of the access that had been negotiated

prior to the study starting. However, this role was also used in preference to interview and questionnaire responses, which according to Robson (2002:310) are notorious for discrepancies between what people say they have done, or will do, and what they actually did, or will do. The approach of this thesis has been to observe what happens in a 'direct encounter' with my data.

Jacobs (1970:ix) talking about participant observers argues that, 'the real skill of the sociologist lies in his perfection of that which is essentially social in his ability to "take on the role of the other".' The professional role adopted formalises the 'other' and provides access to the subject area through working as a scrutiny support officer, which then forms part of the basis for the research. However, there is a classical dilemma over the participant-observer role as a research method as it calls on the researcher to fulfil two (often conflicting) roles (Yin 1972:3). As a participant the researcher is gaining insights an outsider would not but these tend to be subjective experiences, whilst as an observer he/she is dealing with the objective world. A participant-observer is trying to maximise opportunities in both these roles (Yin 1972:3). Participant-observer evaluation can be an eclectic blend of techniques designed to interpret the real world of the 'area of focus' (Salmen 1987:6).

A major concern about the participant observation role is that the observer will affect the situation under observation. Robson (2002:311) identifies a key problem here as being how can we tell what behaviour would have been like if it had not been observed? Consequently, it is difficult to claim with certainty that the situation under investigation has not been affected by the research. Nevertheless, the participation of the key actors (councillors) in my research is not really open to question because the council and scrutiny process are long-standing and embedded forums for participation. The nature of the access described here also means that the setting is not contrived and, therefore, the direct observations derived from participation in this setting avoid artificiality (Robson 2002:311). My interventions in the organisation, through writing and presenting reports, conducting background research for these, and arranging contributions to scrutiny meetings from officers and external witnesses are unlikely to influence whether participation occurs, but may influence the nature of participation, in terms of the nature of discussion in

scrutiny meetings. A further criticism (Robson 2002) of participant observation is that it is a time consuming method. However, in some ways this is ideally suited to the timescale of a PhD.

The notion of reflective practice is closely associated with that of 'learning by doing' (Schon 1987:2). Schon argues that in professional practice there is a core of 'artistry' which is rigorous in its own terms. There is an art of problem framing, art of implementation and an art of improvisation for different professions (Schon 1987:13). In this respect I am not being taught what I need to know, but 'coached' – i.e. learning by doing. This provides a valuable insight into the local government and scrutiny 'community of practitioners'. By learning a practice the researcher learns the conventions, constraints, languages and appreciative systems, their repertoire of exemplars, systematic knowledge and patterns of knowledge-in-action (Schon 1987:36-37). The data is timely because it occurs at the time of happening rather than through post-hoc recollection and rationalisation. In my case, my own notes and observations can be supported with reports and minutes from scrutiny or council meetings

Yin (2003:13) focuses on two elements to the 'logic of design' for case study research. Firstly a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly defined (Yin 2003:13). Applied to my research the 'phenomenon' is local government modernisation, and the development of the scrutiny function in particular, set within the 'context' of governance. The contextual conditions are highly pertinent to the role of scrutiny in local governance. Secondly the case study as a research strategy is an all encompassing method covering the logic of design; data collection techniques; and, specific approaches to data analysis (Yin 2003:14). The prior development of theoretical propositions helps to guide the data collection and analysis (Yin 2003:14). The findings are limited (up to a degree) to the case study authority, but I believe that it is possible to draw some general conclusions/recommendations from them as well. This is because my work is concerned with situating a local authority, and its scrutiny function, within the broader trends of governance, that cut across all localities to a greater or lesser extent.

Yin (2003:114) argues that developing a descriptive framework for organising the case study is a general analytic strategy. In this study case study headings have been developed to provide a framework for description. However, this is not the only analytic tool being used for the research. Yin (2003:111) identifies relying on theoretical propositions as the preferred strategy for case studies. Theoretical propositions about causal relations can be extremely useful in guiding case study analysis, according to Yin. The design of the case study has involved the development of theoretical propositions, research questions, reviews of literature and new hypotheses (Yin 2003:112). Indeed the case study has been designed to be part of a broader multi-method study, in which the larger study encompasses the case study (Yin 2003:150). The overall report of the study will be based on evidence from the case study and other methods. As Dopson (2003:224) argues, case studies can shed light on complex interdependencies between groups and social processes; uncover underlying patterns; assist in understanding unanticipated outcomes of change; and tease out aspects of receptive/non-receptive contexts for change. In this respect the insights gained from the case study are very useful for informing and shaping the development of the literature based, and theoretical aspects, of my research.

Dopson (2003:222) suggests that failure to give sufficient attention to context often happens in case study research, but exploring the context is a critical part of a 'robust strategy for analysis synthesis.' The broader theoretical discussion of the thesis attempts to place the case study within the context of the local government modernisation agenda (Chapter 2) and governance (Chapter 3). Dopson makes the criticism that a lot of case study analysis is reduced to isolated processes and a static state. This criticism is bypassed to some extent in my thesis through the longitudinal dimension of the case studies. Through focusing on the broader exploration of contexts (through the case study issues) the profound effects of the relationships and contexts that have emerged over time on the case study area are acknowledged.

Dopson (2003) also highlights the importance of historical factors in defining the 'social context'. Along similar lines Llewellyn discusses the importance of storytelling and narrative in analysing a modernisation initiative. This is significant because storytelling allows a certain thrust to be maintained, and the narrative implications of modernisation to

be considered when it is linked to a basic narrative structure (Llewellyn 2001:35). The case study can then be understood through pre-existing narratives or, if not, new narratives have to be created. As Llewellyn says modernisation lends itself to narrative, it implies movement from one state to another. Thus it is possible to make a distinction between traditional and modern local government embedded in stories that reproduce the basic narrative structure of modernisation in local settings. If traditional practices persist (such as scrutiny forums reproducing committee styles of working) or re-emerge this would suggest that there is a loss of 'thrust' in modernisation (Llewellyn 2001:38). Furthermore Llewellyn is conscious of the 'subtle mechanisms of control' operating between central and local government, and how modernisation can impose a narrative structure that constrains local actors. The role of storytelling and narrative can be to focus on the interaction between central government definitions of progress and local interpretive practices (Llewellyn 2001:38).

A central component of my thesis focuses on mapping/defining the context (which includes the local government modernisation agenda, governance, and broader socio-economic and political trends) that is shaping the work that I do in the council for my participant observer role. This context is theoretical, and ideological, and therefore contestable. But both theory and ideology are prevalent in defining local government institutions, and also within local authorities, such as Hartlepool. Because of the contested nature of reality Denzin argues that believability is not so much about validity as it is about verisimilitude (mapping the real). In qualitative research the truth of a text must always be aligned with the verisimilitude it establishes, but the grounding of the text can always be contested, therefore, the verisimilitude will always be deferred (Denzin 1999:316). Denzin moves on to argue that truth cannot be established by its verisimilitude and visa versa because they can both be challenged. Nevertheless accepting this as a starting point for the research does not negate attempting to devise a strategy, which is geared towards meeting challenges to the truth of the text in the most robust manner possible. Jessop (2003:7) argues that a reflexive approach to considering governance involves inquiring about the construction of possible objects of governance and reflecting on why this rather than another object of governance has become dominant, hegemonic or naturalised. Mapping the scrutiny case studies on to the theoretical framework of the thesis poses internal challenges to the

verisimilitude of the text, which advances the overall theoretical framework when it is returned to and expanded on in the concluding chapters (nine to eleven).

1.6) 'Working' Conceptual Framework

The development of a 'working conceptual framework' allows for explanation at a deeper level than solely empirical observations, and has been developed largely from a literature review. The key concepts are tested against the findings from the participant-observer / action based research, and in turn the material gathered through the professional placement is analysed by returning to the key concepts. Consequently a 'working' conceptual framework develops through the dialogue between the concepts and insider based research methods. The framework is provisional prior to the accounts of scrutiny exercises and consequently serves the purpose of being an organisational framework for this empirical material.

There are important trends surrounding, and within, the governance of local communities that need to be highlighted so as to situate the success or failure of local authorities, and their scrutiny functions, within a broader context. It will then be possible to assess whether there is a more difficult and potentially less rewarding role for local authorities in this context. This is critical to the role of scrutiny in local authorities. Conceptually globalisation and the associated economic, social and political model has been a key (although not always direct) driver in the transformation of the local state, through which the role of local government has changed as the local state has become a more complex system of local governance. In this context can scrutiny achieve the policy objectives defined for it? Two questions emerge from this: do we have a system of local governance in Hartlepool in the ways suggested by the literature? Has scrutiny achieved its objective, even partly, in this context?

The onset of globalisation and its relationship to this particular mode of governance has created a context in which there is growing complexity and fragmentation in national and local politics, and public spheres. However, whilst a model of globalisation is developed in

chapter three, and used to ground the analysis of factors leading to changes in local governance, it is important to acknowledge that this is not an uncontested concept. Indeed a prominent critique of globalisation theory from Hirst and Thompson (1996) is that the globalisation thesis makes it appear as though national governments are powerless in the face of global trends. They move on to argue that most globalisation theory lacks historical depth and, therefore, paints the current situation as more unique, and firmly entrenched, than it is. A further criticism, outlined by Smith and Baylis (1997:10), is that globalisation is very uneven in its effects and, in fact, tends to apply largely to the developed world. Consequently, there is a danger that the extent and depth of globalisation can be overestimated. Giddens in his 1999 Reith Lectures identified a group of thinkers, he labels the *sceptics*, who do not see anything especially different about the contemporary global economy compared with previous periods. Most countries gain only a small amount of income from external trade, and a good deal of economic exchange is between regions, rather than worldwide (Giddens 1999a). In this respect Watson and Hay (2003) argue that political rhetoric has triumphed over the economic realities of globalisation. The issue is returned to in more detail in chapter three; here it is appropriate to note that the scrutiny exercises were used to understand the impact of globalisation in various ways, from the global trade in obsolete war ships – and the local regulatory issues this raises - to the spread of skateboarding and pressure for *local* authorities to adapt their *local* provision to a global recreational phenomenon.

A further key concept in the working conceptual framework is that of post-modernity. Bauman has described modernity as the product of two ‘novel developments’. Firstly the emergence of a new type of state power with the resources and will necessary to shape and administer the social system according to a preconceived model of order; and secondly the establishment of a relatively autonomous, self-managing discourse able to generate such a model complete with the practices its implementation required (Bauman 1987:2). In the post-modern world there has been a divorce between the state and intellectual discourse, according to Bauman. Bauman (1987:3) rightly stresses that modern and post-modern practices co-exist but in varying proportions in each of the two eras. In the current era the nature of governance is suited to many different models of order, which all have their own system of logic and autonomous practices. Increasingly the functions of the state have to

be carried out by different agencies that specialise in different expert systems. The relative chaos here creates a decline in accountability, and increased complexity that combine to create a 'confused' state, which in effect reduces the efficacy (if not the amount) of state intervention. This raises questions over the role of scrutiny, not only in processes of governance, but also meta-governance, and the remit, powers and capacity it has to fulfil this role.

The increasing number of agencies delivering services at a local level is a governing reaction to the conditions of governability, which require governance solutions. The key concepts of partnership, accountability and governance relate to this part of the conceptual framework. A related issue here is whether scrutiny can have a meaningful role in responding to the processes of fragmentation; or does the very nature of this fragmentation undermine the potential that scrutiny might otherwise have to be an effective force? The potential to direct change at a local level is limited by the capacity and resources of local authorities to cut across and through this confusion. Scrutiny has an important role in firstly highlighting the confusions inherent in contemporary governance, and secondly through holding the actions of those in the complex local governance arrangements to account. In this respect it is a key enabling governance mechanism/tool. This context also challenges the expectations about the role of local government, and the ability of local government to meet those expectations. The local government modernisation agenda is the latest attempt by central government to react to the role of local government in this developing context. The scrutiny function is, therefore, both a key part of the local government modernisation agenda and my route into testing some of the key concepts underpinning the shift to local governance.

1.7) Conclusion

This chapter has identified the key research issue, elaborating it as a problematic concerning the role of local government in a local governance arena framed in contemporary conditions of globalisation. It has identified the use of a 'scrutiny window' as the main tool for examining the limits and possibilities of scrutiny and local government in

this context, investigated from the standpoint of an insider-researcher using, predominantly, participant observation as a basis for creating a dialogue between concepts and evidence. The working concepts for this purpose is derived from literature reviews presented in chapters two and three.

The development of the research questions plays a crucial role in operationalising the theoretical framework of the thesis. These represent a sequence of questions that closely relate to the overall structure of the thesis and use theory-building logic. Each question is devised to reveal a new part of the theoretical argument being made. Consequently, the research questions provide a 'bridge' between the literature and theory-building elements of the study and the methods used to collect the field data. They both test, and are tested by, the findings of the scrutiny case study inquiries.

Thus, following the account of the case studies a more detailed (theoretical) discussion of the findings is provided in chapters nine and ten and the discussions here are structured, and ordered¹³, around the research questions. Chapter nine is effectively a meta-level of analysis through which the limits and possibilities of local government and scrutiny can be explored, which are then considered further in chapter ten.

Essentially the theoretical framework (which is tested across the discussion chapters) develops the following arguments. Firstly, in highly globalised markets, which are typified by systemic risks, there are strong pressures on actors to co-operate to manage these risks. Secondly, under the influence of global trends state capacity has changed and the state has consequently become less of a direct provider of services and more of an enabler of service delivery. Thirdly, set against this context governance can be viewed as a response to the changing demands on governing. Fourthly, following a process of fragmentation of local state capacity New Labour's local government modernisation agenda can be viewed as a process of reconceptualising the role of local government in light of the trends described above. It is the role and capacity of local government within this context, as revealed through the scrutiny function when focused on external issues, which forms the empirical heart of the thesis.

¹³ Chapter nine focuses on research questions one and two and chapter ten focuses on research questions three to five.

2) The Local Government Modernisation Agenda and Scrutiny

2.1) Introduction

New Labour came to power in 1997 with the declared intention to modernise local government. This chapter examines the local government modernisation agenda within the context of how New Labour sees local authorities functioning in the governance of a locality. The chapter's structure is divided into two main parts. Firstly the modernisation agenda is explored across four key themes: political management structures; continuous service improvement; democratic renewal; and governance mechanisms such as the well-being powers, community leadership and partnerships. Secondly, the overview and scrutiny function is explored in greater detail because it is the 'window' through which this thesis explores the modernisation agenda, and, therefore, through which the limits and possibilities of local government in local governance is explored. Snape et al (2002:105) argue that overview and scrutiny is significant because it, 'can be seen as the glue that binds together all the elements of the modernisation agenda. It not only binds together the internal structure of the executive (or policy committees) and full council, but also the council's role as a community leader, linked to the well-being power, the new ethical framework, partnership arrangements and best value.'

2.2) A Brief History of Local Government

Byrne traces the origins of the local government system as we now know it back to the early nineteenth century, and to the impact of industrialisation and urbanisation (Byrne 1990:12). These forces required action at a local level, implying a more formal role for local government in delivering services. In England, the existence of local government in the form of locally elected councils dates from the 1835 Municipal Corporations Act. The Act was an attempt to remove corruption and inefficiency through elections, open public meetings and carrying out the regular auditing of accounts in about two thirds of the boroughs in England and Wales (Byrne 1990:13). Thus, both the delivery of services, and their political management and accountability have been key themes in the overall management of local government from its inception right through to the present day.

Local government in Britain does not have independent status or a constitutional right to exist; parliament is sovereign and the political party in power has generally been willing to deploy these powers to control local government (Weir and Beetham 1999:244). Weir and Beetham argue that local councils could only do what central government empowered them to do, and central government could direct them to act in great detail, against their own assessment of local need, if it chose to do so. Consequently Blackman (1995:19) argued that local government in the UK has contrasted with local government in most European countries; in which local authorities have 'general competence' where they can undertake any activities that meet the needs of their areas. Nevertheless Weir and Beetham (1999) state that historically local government in Britain has 'done more' than its European counterparts. However John (1997:254) points out that even during the expansion of local authority functions during the 1950s and 1960s, local authorities were more agencies administering welfare functions than entrenched institutions of the democratic polity.

Between the 1950s and 1970s there was a broad consensus about the role of local government. The public wanted services such as education, community care and housing to be provided by local government (Audit Commission 1988). Consequently, Painter (1991:23) argues that during this period local government played a key role in the Fordist mode of regulation through providing unprofitable universal services for which there was public demand, whilst having widespread involvement in planning and regulatory activity.

Local authorities, therefore, played a key role in developing the welfare state; however the combination of economic recession and the drive to restrain public expenditure under the Thatcher governments led to local authorities becoming a prime target for cuts (Rhodes 1997:113). The Fordist consensus was no more. Under Thatcher the provider role of local government was rolled back through the expansion of Compulsive Competitive Tendering (CCT) for public services, privatisation of council housing, the growth of a mixed economy of social care provision, the loss of powers in education, dependence on private developers for regeneration, and cash limited budgets under pressure to keep pace with new needs (Blackman 1995:41). Furthermore, there was a move towards centralisation, through increased control over local government expenditure, intensification of intervention in local

authorities' internal workings and the removal of functions to bodies responsible to central government (Jones & Stewart 2002:17). However during this period an 'enabling' role was also advocated for local authorities through which they assessed needs, outsourced service provision, worked in partnership with other agencies, made plans for services not directly under their control, and reviewed performance (Blackman 1995:29).

Weir and Beetham (1999:245) suggest that, 'the experience of the past twenty years has shown that central government can by increment reduce local government to a mere administrative shadow of local democracy.' However, Leach and Wilson (2002:666) see this as a transitional phase in the development of local government, where the dominant service delivery paradigm was challenged from a number of perspectives – markets, partnerships, localism and governance. Although the radicalism of the Thatcher decade suggests that local government had a golden age, which was destroyed by the centre, in reality there has never been a period in which local government has been stable or autonomous (John 1997:254). Furthermore the impact of the Conservative years was not simply about a decline in local government powers but also a change towards an enabling role within wider local governance system. Thus, Labour's modernisation agenda is set within a historical context of central government control, on the one hand, and more recent changes in the powers and role of local government, on the other.

2.3) The Local Government Modernisation Agenda

This section will explore a number of key strands to the local government modernisation agenda. The government's modernising local government agenda (DETR 1998:5), 'is seeking nothing less than a radical refocusing of councils' traditional roles. A fundamental shift of culture throughout local government is essential so that councils become outward looking and responsive.' Yet, according to an article in the Local Government Chronicle (LGC) at the time, councils were concerned that the pressure for reform was accompanied by few rewards (LGC 29th May 1998). However Stoker, writing in the LGC on 20th March 1998, argued that, whilst central government retained the threat of prescriptive intervention, local authorities have an essential role in delivering objectives. Moreover councils are the preferred suppliers of local visions and the focus for partnerships; the reform strategy is

based on local authorities developing their own solutions and strategies to the challenges they face (G.Stoker, in, LGC 20th March 1998). Nonetheless the potential threat of interventions could have been perceived by some councils as contradicting the development of local visions. Consequently, there were a number of contradictions evident in the early stages of the local government modernisation agenda. These centred on whether there was a new outward looking governance role for councils set against the growing threat of central government intervention in the workings of local authorities.

The local government modernisation agenda was refreshed in 2004 through a consultation process on a ten year vision for local government (ODPM 2004). The government's thinking has been influenced by the 'New Localism' debate, which has its origins in a New Local Government Network (NLGN) manifesto in autumn 2000, and in Corry and Stoker's (2002) pamphlet, *New Localism: refashioning the centre-local relationship*. The debate has emphasised that powers and resources should be devolved from the centre to localities and neighbourhoods, within an agreed framework of minimum standards, and that local government should focus on community leadership more than on direct service provision (Corry et al 2004:8). Neighbourhoods have increasingly become the focal point as they are deemed to be key to both stronger local democracy, and holistic governance for individuals and local communities. The continued importance of joining-up elements of the modernisation agenda through additional emphasis on the community leadership role has also been emphasised (ODPM 2004 and 2005).

2.3.1) Political Management Structures

According to Goss's summary of the government's rationale (2001:123) the reform of political structures is central to the modernisation agenda, 'the council committee system with its lumbering procedures, nineteenth century formality and endless capacity for procrastination was seen as the problem. Councillors were secretive and acted behind closed doors.' The government had undertaken an extensive consultation process to support this view leading up to the publication of the 1998 White Paper (DETR 1998). Cole (2001:19) argues that the government viewed the old committee system as inefficient and

opaque, reinforcing a culture in which members and officers took a paternalistic view of services. These views have elements of caricature or over-simplification given developments under the traditional structure of, for example, social care markets and the local management of schools. Such developments suggest that the old structures were not incapable of renewal but also raise questions about the extent to which new structures are a prerequisite of cultural change. Nevertheless, the reform of political structures can be interpreted as an attempt by government to equip local authorities to function more effectively in the emerging governance context.

The Labour government decided that for councils to become community leaders new political structures needed to be put in place. With the aim of providing local choice and diversity three new models were offered to councils: a directly elected mayor with cabinet, cabinet with a leader, and directly elected mayor with a council manager. A last minute change to the Local Government Act 2000 introduced a fourth option of a 'revised committee structure' for authorities with less than 85000 people. The preferred model of the government and some academics alike was for a directly elected mayor, as a highly visible politician with clear accountability and powers to act (Goss 2001:124). However most authorities have opted for an executive cabinet, maintaining collective decision-making and the traditional links to political groups (Ibid).

The government believes the benefits of the new political management system will lead to greater:

- efficiency - through a smaller, quicker and more responsive executive;
- transparency - through clearly defining roles and the work of the scrutiny process; and
- accountability - through increased transparency those responsible for decisions can more readily be held to account (Stoker 2002:425).

Leach et al (2003:17) highlight the need to incorporate speed, efficiency, accountability, transparency, inclusiveness and openness as key objectives of the modernisation agenda. They further argue that authorities tend to prioritise amongst these objectives. This is,

perhaps, not surprising given the complexities and internal contradictions (e.g. speed versus inclusiveness) of these objectives, together with the sometimes competing pressures of broader governance trends (see below).

A key element in all the new models for political management is the executive/non-executive split: 'Both the executive and backbench roles of councillors are vital to the health of local democracy and community leadership. Each role can only be fully effective when it is separated from the other' (DETR 1998:26). The role of the executive is to propose the policy framework and implement policies within this, whilst backbench councillors represent their constituents¹⁴ in decisions of full council, suggest policy improvements, and scrutinise the executive's policy proposals and their implementation (DETR 1998:26).

Researchers have concluded that strong executive leadership and strong scrutiny, with a high degree of independence between the two, has been the model most closely identified with effective performance (ODPM 2005:14). However, the Select Committee on Transport Local Government and the Regions (SCTLG&R 2002:2) report on, *How the Local Government Act 2000 is Working*, suggests that from the councils they consulted non-executive members felt excluded and less well-informed, which impacted on their role as 'community leaders'. The committee concluded that this has been too easily dismissed as a transitional, rather than an inherent problem with the legislation. Indeed, this view has been supported by Ashworth's and Snape's (2004) audit of scrutiny research, which highlights the lack of influence of scrutiny as leading to an imbalance in councillor roles. Consequently, Wistow and Banaras (2005:35) suggest that the overview and scrutiny function has struggled to become a fully embedded and functioning component of local authorities' political management structures.

Stewart (2003) argues that due to major changes to the legislation over the course of its preparation and enactment the separation of executive and scrutiny roles became less

¹⁴ Through the separation of roles and the move away from the committee system it is felt that councillors will be spending less time in *pointless* meetings and are consequently able to spend more time with their constituents, thereby representing them more effectively.

distinct. The new structures are now primarily based on a distinction between the role of the council in determining policy and the role of the executive in implementing that policy¹⁵ (Stewart 2003:74). Leach et al (2003:23) argue that full council has the potential to become a powerful politically representative body charged with ensuring local good governance. To do so, the council needs to open itself up to public debate, internal debate, focus on policy development and on holding the executive to account, and generally become more inclusive and deliberative (Leach et al 2003:23). Consequently, full council plays an important (and often underplayed) role in the political management of local authorities in the governance system.

2.3.2) Continuous Service Improvement

The continuous improvement of services has been a key strand of the Labour government's modernisation agenda. However, only a brief outline is provided here as the relative importance of this strand to the theme of my dissertation does not correspond to its importance within the modernisation agenda.

The Best Value regime has been a central component of New Labour's reform of local service delivery, and has replaced compulsory competitive tendering (CCT). Indeed Newman (2001:101) states that, 'the Best Value regime can be viewed as a form of implicit contract between government and local government in which, in return for abolishing CCT, councils were required to demonstrate improvements in both costs and quality.' This contractual aspect in New Labour's approach contrasts with the command and control of Tory interventions. Indeed the origins of Best Value stem from a strategy proposed by Max Culler, then Chief Executive of Barnet Council, which was taken up by the Association of Metropolitan Authorities, rather than from central government (LGC 28th February 1997). However, it was not long before Best Value came to be viewed as a centralist policy, as evidenced by a further contribution to the LGC (6th March 1998), which stated, 'local government will live with this new relationship, but lets stop pretending it's a partnership.'

¹⁵ This is particularly true for the leader and cabinet model.

Whilst local authorities have greater choice in choosing delivery mechanisms, the Best Value framework places a continuing emphasis on competition (Wilson 2001: 297-8). In fact, Wilson argues that the place of competition has been strengthened through Best Value because it involves all services rather than the restricted list for CCT. Stoker (2002:426) adds that the government is aiming to check behaviour through the sheer variety and range of those involved in the Best Value process, and also encourages the public to challenge the performance of providers. Best Value requires local authorities to work as leaders in the governance of their local communities because in many cases Best Value needs to be met through many organisations in this system (Jones and Stewart 1998:8).

The next chapter explores in more detail the increased threat of central government intervention in local authorities and the growth in performance management through targets for service improvement. These trends have contributed to what Pratchett (2002) and Stewart (2003), amongst others, regard as a tendency towards developing an increasingly private sector oriented model for the management of local authorities. However Stewart (2003:175) argues that the dominance of the private sector model in local government is often a caricature of private sector management. Furthermore, Stewart believes that the distinctive purposes and conditions shared by local government services, and the public domain generally are being distorted by this model/approach. However, it could also be argued, that the role of local authorities as successful leaders of local organisational networks depend, to at least some extent, on them being perceived as effective performance oriented and business-like organisations. A key mechanism for these perceptions has been the introduction of over 170 performance indicators in local performance plans; this multiplicity of targets has the advantage of not reducing complex services to single measures, but does raise the issue of whether the targets are consistent with each other (Stewart 2003:170). Stewart argues that care needs to be taken in the establishment of targets and they need to be used as aids to improving performance, and not seen as an end in themselves.

Thus, the government is continuing the previous Conservative governments' trend of ~~intervention in the operation of services and concern with individual authorities (as opposed~~ to local government collectively) (Jones & Stewart 2002:21). This is an important point

when looking at the powers of local authorities, as the government can intervene and even remove relevant functions from authorities if they are falling short of requirements, under the Local Government Act 1999. According to Stewart (2003:207) the effects of this can be that the threat of intervention can be much the same as intervention itself, which leads local authorities to accept central government proposals for action. At the very least, Stoker (2002:426) identifies that, 'the fundamental rationale behind much of the New Labour reforms is to make it much more difficult for local service providers and local political elites to rest on their laurels.' A further development has been the introduction of comprehensive performance assessments (CPAs) of local authorities, which are made by the Audit Commission and consider current performance and capacity to improve (Stewart 2003:155-6). From these assessments authorities are rated in five categories from poor to excellent and granted increased freedoms and flexibilities (for excellent and good authorities) or subjected to increased central government intervention through improvement planning (for poor authorities). However, Stewart (2003:156) argues that the process lacks an objective basis for the weighting and combinations of data chosen for individual assessments and the judgements that are made from these.

While central government has been quite prescriptive and controlling in service delivery, there are also examples of initiatives through which local authorities can exercise some autonomy. Local Public Service Agreements (LPSAs) allow all upper or single tier local authorities to negotiate directly with central departments to undertake to deliver specific targets, and the government undertakes to reward authorities for meeting those targets and consider giving new freedoms and flexibilities to assist with this (Stewart 2003:143). LPSAs rise to the challenge of national priorities, whilst giving central departments the opportunity to discipline unresponsive authorities (Pratchett 2002:341). The fact that LPSAs stem from an LGA proposal demonstrates that central government can be responsive to local authorities in the continued development of the modernisation agenda. Furthermore, the introduction of Local Area Agreements (LAAs) can be an important catalyst for the community leadership role whilst providing links to LSPs, through bringing together partners to identify an increasingly common set of outcomes (ODPM 2005:11). ~~Whilst the ODPM sees a leadership role for local authorities on these, the LGC (18th~~ February 2005) has predicted a weakening of the LAAs as a result of tight timescales and

the pre-existing allocation of budgets for the first year of these schemes. Perhaps more seriously the LGC (Ibid) argues that there has not been a radical shift of resources as a result of limited enthusiasm from middle-ranking civil servants driving the programme through. This reflects the wishes of some central government departments, notably the Home Office and the Department of Education and Skills, which do not share the enthusiasm of the ODPM for LAAs and have, therefore, reduced the scope of the LAAs in a similar fashion to the LPSAs three years earlier (Ibid).

2.3.3) Democratic Renewal

The government has highlighted democratic renewal as a key aim of modernising local government. There is a degree of overlap between new political structures and the drive for democratic renewal, but they are conceptually distinct. The government identifies councils as tending to be inward looking and paternalistic (in service delivery) with the result that the public are too indifferent about local democracy (DETR 1998:14). Stewart (2003:36) questions whether this generalisation is justified or not, but agrees that the government is correct in its approach to democratic renewal by regarding low turnout as a symptom of the problem, rather than the problem itself.

The government hopes the new political structures will enable and encourage people to take a greater interest in council affairs, through the more accountable and efficient decision-making structures highlighted above. However the White Paper (DETR 1998:38) concedes that, 'new structures alone will not bring about a renewal of local democracy.' The government (DETR 1998:38) believes this will only happen through higher participation in elections and 'close and regular' contact between councils and the public between elections; 'this cannot happen if local people are not interested or feel that the council, or their views about it, are irrelevant.' Pratchett (2002) argues that in some respects the new political management structures and increasing public consultation could be said to represent democratic renewal, but this view ignores more systemic problems that are highlighted in the 1998 White Paper. The process of democratic renewal seems to be stalling because the reform of structures is not enough, there needs to be a change in the

political culture of politicians, officers and citizens, which is a much longer term process (Pratchett 2002:337).

Aside from improvements to political structures Stewart (2003:37-42) identifies three main proposals from the government for democratic renewal, these are: more frequent elections; help for councils to develop their arrangements for participation and consultation; and, developments in electoral procedures. His argument is that relatively little has been done in relation to these and, with the possible exception of postal ballots, the impact has been limited. Furthermore, Goss (2001:3) argues that, 'much of the debate about local governance has been 'blind' to the implications of social and economic inequalities. If local governance is to play a key role in community leadership, these questions have to be faced head on.' However the extent to which individual authorities have the powers to reduce these inequalities is questionable; not only in terms of statutory powers but, more importantly, in terms of the ability to change/challenge the influence of global economic realities.

Game (2002) has emphasised that the impact of central government focusing on the service-provider, rather than the local self-governance role of local government, has had a gradual, and yet significant, effect on turnout. Although the present government has highlighted democratic renewal as underpinning their objectives in improving service delivery, Pratchett (2002:333) argues Labour's interest here is waning and being replaced by a much stronger emphasis on service delivery alone, 'as local authorities have sought to respond to the wide range of modernisation initiatives, enhanced public participation as a feature of democratic renewal (in contrast with public consultation as a feature of new public management) seems to have lost its resonance in much of the reform agenda.' Game (2002) also argues that by focusing on the elected mayor issue the government has ended up focusing on what is *not* happening, thereby disguising what has taken place under the 2000 Act. By doing so the government has risked much of the democratic renewal agenda as well as the wider agenda. However, the Chief Executive of the LGIU has argued that through the ODPM's consultation documents, *Vibrant Local Leadership*, and, *Why Neighbourhoods Matter*, there is a genuine view of stronger local democracy emerging, in which ward councillors are seen as the key to neighbourhood engagement (LGC 18th

February 2005). However, these developments are in their early stages and largely fall outside the scope of this study.

2.3.4) The well-being powers, community leadership and partnerships

The well-being powers, community leadership and partnerships are the themes most closely related to the empirical issue and theoretical framework of this thesis. These themes should cut across the modernisation agenda, and are intended to enable local authorities to function more effectively in their local governance systems. Whilst much of what is discussed here will be explored in greater detail throughout the thesis (most notably in chapters three and four) it is necessary to situate these components within the modernisation agenda.

The 1998 White Paper highlights the role councils have to play in community leadership, and how they are central to meeting the challenges facing modern Britain¹⁶. The government has legally made councils responsible for the long-term well-being and sustainable development of their areas (DETR 1998:80). Consequently, there has been a shift in emphasis, enabling councils to act for the well-being of their communities, unless there is a statutory provision preventing them from doing so; as opposed to only being able to act where it is statutorily permitted. The White Paper was viewed in some quarters as tending to remove territorial, professional and public/private sector boundaries through the duty to promote well-being (LGC 28th August 1998). This approach was welcomed amongst some senior local government managers as encouraging councils to take risks by removing restraints and offering clarity around local authorities' legal powers. The LGA (2003:14) argues that the Local Government Act 2000 provided a flexible power for local authorities to engage in partnership working to achieve the economic, social and environmental well-being of an area. However, the 2000 Act did not introduce a *duty* (as the government previously stated it would) to promote well-being but simply *powers* to do it. Nevertheless, Wilson (2001:293) considers that at least the most proactive local authorities have an unprecedented opportunity to respond to the needs of their localities.

¹⁶ These are identified as sustainable development, social exclusion, crime, education and training.

Under the Local Government Act 2003, local authorities were granted new powers to trade in relation to any of their advisory functions, and to charge for discretionary services (LGA 2003:8). This was welcomed by Jones and Stewart (2004:24) for addressing some of the previous limitations of the well-being powers, caused by a lack of resources. However, the inability of local authorities to make regulations and the lack of attention councils pay to by-laws remain as limitations on the powers of well-being and community leadership role (Ibid).

The use of the well-being power should have regard for the community strategy¹⁷ (LGA 2003:5). In this respect these powers are linked to the community leadership and partnership roles of modern local authorities. Indeed, in the government's paper on *Vibrant Local Leadership*, (ODPM 2005:7) it is argued that councils should champion their areas; lead the formulation of community strategies and set out the vision for the local community in partnership with other agencies. This is not an easy role to undertake. One of the many challenges facing local authorities is to develop the community leadership role in relation to the range of local services that contribute to the well being of the area and also strengthen the relationships between partners (ODPM 2005:9). This forms the basis for a local authority to engage in governance interactions.

Undertaking the community leadership role effectively is likely to require a stronger focus on dealing with cross-cutting issues locally, for which the main vehicle is LSPs (ODPM 2005:10). The government has given discretionary powers for councils to engage in partnership with 'bodies, organisations or agencies that operate locally for any purpose which supports their functions' (DETR 1998:82). However the government has more recently recognised that there remains uncertainty about the nature and legitimacy of this leadership role (ODPM 2004:9). Nevertheless, during the majority of New Labour's first two terms of government, the local government modernisation agenda provided a basis for *proactive* local authorities to become increasingly engaged in the governance of their communities.

¹⁷ See chapter four for further details.

2.4) The Overview and Scrutiny Function

Under the Local Government Act 2000 all local authorities were required to have at least one overview and scrutiny committee in place by June 2002. Snape et al (2002:13) argue that through the separation of roles under the Local Government Act 2000 this is, perhaps, the most substantive role for non-executive councillors, and also possibly the greatest challenge to the traditions and culture of the previous system of local government. It is argued here that overview and scrutiny is indeed central to the modernisation of local government, both as an internal reform of the political management of local authorities, and as a mechanism through which local authorities can reach out into external governance processes and systems. However the introduction of overview and scrutiny has not been unproblematic. Consequently, a number of potential constraints on scrutiny will be identified in this section, as well as evaluative criteria for ‘good’ scrutiny¹⁸.

2.4.1) The Roles and Powers of Scrutiny

Under Part II of the Local Government Act 2000 the overview and scrutiny function has no formal decision-making powers. Scrutiny committees can call-in decisions of the executive and recommend that they are reconsidered. It can make recommendations to the executive, full council and external partners based on its work. Scrutiny committees can request the attendance of council officers at meetings to give evidence, who must then attend. They may also request the attendance of external witnesses at meetings, but only those working in the health service are compelled to attend. The principles of scrutiny allow for a relatively open and flexible approach to working, which has the potential to be a strength of the function. The government (DETR 2000) sets out five broad roles for scrutiny in its guidance:

1. Holding the executive to account;
2. Policy review;
3. Policy development;
4. Best Value reviews; and

¹⁸ These criteria will be used implicitly throughout the scrutiny case studies, and will be returned to more explicitly in the concluding chapters of the thesis.

5. External scrutiny.

Holding the Executive to Account

Snape et al (2002:42) state, ‘this role involves scrutinising executive decisions at a number of different stages of the decision-making process: before decisions are made; before they are implemented; and after they are implemented.’ This can be interpreted as the *scrutiny* side of the overview and scrutiny role for councillors. Snape and Taylor (2001:1) suggest that, ‘to many the separation of executive and scrutiny was seen as a way of sidelining the vast majority of councillors, giving them little to do but nit-pick over decisions taken by an elite few.’ Nevertheless a vibrant scrutiny process is required to provide substantive roles for councillors, and is crucial for keeping a balance between executive and non-executive roles. The key question is whether the powers and processes of overview and scrutiny are compatible with securing that balance.

Section 13(2) of the LGA 2000 requires that all functions of a council must be the responsibility of the executive, unless the functions are covered by specific arrangements set out in regulations or other legislation (LGIU 2003:6). The executive is obliged to publish all its intended decisions in advance in a ‘Forward Plan’. Overview and scrutiny committees have the power to call-in decisions of the executive, where that decision has not yet been implemented, or to arrange for a decision to be scrutinised by the full council (Deputy Prime Minister 2002:11). This power extends only so far as to making recommendations requiring the executive to reconsider its policy. However the perceived lack of effectiveness of the scrutiny function is partially due to the fact that the executive is not obliged to take notice of these recommendations (SCTLG&R 2002:8). Consequently, effective scrutiny of the executive will be dependent in no small measure on having a responsive executive in place. As Leach (2002:85) observes, ‘there may be one or two sanctions a scrutiny committee can activate (e.g. referral to full council) but they are few and far between. In general, the power of scrutiny is power of *influence* and that requires preparedness on the part of decision-makers to be influenced.’

Ashworth and Snape's (2004:544) summary of early overview and scrutiny research suggests that the function was not a sufficient counterbalance to the executive. Later research identified a lack of 'teeth' or influence, inadequate officer support and the impact of party politics as contributory factors towards this outcome (Ibid). Johnson and Hatter (2004:7) argue¹⁹ that scrutiny is not respected as an essential partner to executive decision-making and that many councillors are concerned that the new system allows power to be concentrated in the hands of a small minority. However a shift in the government's thinking towards scrutiny can be identified in its document *Vibrant Local Leadership* (ODPM 2004:17) in which it is suggested, 'there should be more formal requirements for an executive to act on scrutiny findings.' Just how/whether this will materialise in practice remains to be seen.

Policy Review and Development

Snape and Taylor (2001:4) argue that, in reality there is no neat separation between the policy review and development roles; the former necessarily leads to suggestions for the latter, unless the policy is deemed to need no revisions. Policy review can vary from looking at the 'big picture' in relation to a policy area, to more focused reviews, and tend to follow closely the parliamentary select committee approach of oral hearings and written evidence (Snape and Taylor 2001:4). These reviews can take place as part of developing key policies or as an examination of how well a policy has been implemented (Snape and Taylor 2001:4). According to Snape et al (2002:19), 'policy development involves shaping the formulation of key plans and policies, through examining alternatives against needs, resources and issues.' Snape et al (2002) believe this role has produced the most impressive work from overview and scrutiny to date. Many members and officers argue that the quality of such work would be rare under the committee system, and members are becoming more skilled at investigating policies and developing evidence-based approaches (Snape et al 2002:20).

Unsurprisingly the scrutiny function seems to work best when it is part of the whole decision-making process and where a substantial amount of pre-decision scrutiny is taking

¹⁹ Based on their case study interviews.

place, according to Helmsley-Brown et al (2002:15). This requires a readiness on the part of the executive to identify issues where it would welcome such in-depth work from scrutiny committees (Leach et al 2003:34). This approach can benefit an authority as a whole because cabinets often lack the time to do as much in-depth work as they would like, and it involves backbench councillors more fully in the decision-making process (Leach et al 2003:34). However Leach et al warn that scrutiny should not compromise its independence, and that the executive must avoid using scrutiny to distance itself from unpopular or difficult decisions. It is also very important that scrutiny exercises are followed-up, particularly in order for members to appreciate how scrutiny is working within the council.

Best Value Reviews

The government has left it to the discretion of local authorities to determine how they relate best value to their new political structures. Snape et al (2002:25) state that government guidance permits three options for linking best value reviews to new political structures: overview and scrutiny committees can oversee the reviews; the executive can be responsible; or, a joint forum of executive and scrutiny councillors can be responsible. Dungey (2001:12) argues that whatever approach a local authority adopts for best value reviews it needs to be co-ordinated with the wider programme of reviews being carried out in scrutiny. Furthermore Snape et al (2002:27) emphasise the importance of a 'whole systems' approach to making the connections between the new political management arrangements and continuous service improvements. However, according to Snape and Taylor (2001:4) many authorities are failing to make successful connections between best value and scrutiny. This can be attributed to the technical and managerial nature of the process, the associated difficulty of 'chipping' into the best value documents, and a lack of thought towards how councillors can best contribute to this (Ashworth and Snape 2004:547). Nevertheless, Snape and Taylor (2001:4) highlight the importance scrutiny could have in the longer term in 're-politicising' best value, which is after all not a neutral concept – despite the way it may be presented. However, questions remain about whether this is the best use of scrutiny members' time i.e. in terms of the type of role scrutiny is best equipped to perform, and the time it has to do so.

External Scrutiny

Ashworth and Snape (2004:548) indicate that, 'the government has encouraged local authorities to develop a strong external focus in order to hold organisations to account and enhance stakeholder and public participation in the scrutiny process.' To do so, scrutiny bodies are entitled to report on any issue which affects the local area (Dungey 2001:13). However, whilst conceptually there is an important accountability role for scrutiny in local governance there are no powers for external scrutiny, with the exception of the health scrutiny role. Nevertheless, Johnson and Hatter's (2004:7) research indicates that scrutiny is able to achieve 'quick wins' particularly in areas for which the council is not the service provider.

Scrutiny has the potential to review the performance of other bodies and examine how they are contributing to the economic, social and environmental well-being of the area (Dungey 2001:13). Indeed, through the powers of well-being, local authorities are being encouraged to work closely across organisational boundaries (LGA 2003:8). Scrutiny can make links to the well-being powers and community leaderships role and combine these with the external scrutiny and policy development roles to provide a powerful rationale for the involvement of the scrutiny function in governance processes and systems. In this respect scrutiny can provide a comprehensive role for non-executive councillors in the broader local *governance* system. Furthermore, the government seems to have recognised the important role scrutiny could play in the governance arrangements of the locality by arguing there may be a case for the extension of the 'formal' scrutiny remit (similar to that of health scrutiny) to reinforce the community leadership role (ODPM 2004:17). If followed through, it will be an important recognition of the role of scrutiny in local governance, in contrast to its current underdeveloped role. However, for scrutiny to fulfil what will be a larger and more complex role effectively local authorities will need to provide, and be provided with, additional funding/resources for this responsibility.

2.4.2) Constraints on Scrutiny

Ashworth and Snape (2004:542) assert that their five year audit of overview and scrutiny research reveals the findings are remarkably consistent i.e. overview and scrutiny committees are still struggling to become effective bodies, and there is an imbalance between their key roles. Role imbalance, particularly between holding the executive to account and policy development, is a recurring theme and a real dilemma for scrutiny (Ashworth and Snape 2004:551). Difficulties here range from opposition members using scrutiny as an ‘opposition vehicle’ whilst colleagues from the same party as the executive find it hard to move away from an innate party discipline (Snape & Leach 2002:42). At the same time, scrutiny has potentially conflicting roles of holding the executive to account, and also of supporting the work of the executive through policy review and development (Leach et al 2003:29). However, Ashworth and Snape (2004) argue that the failure of scrutiny cannot just be blamed on the breadth of roles and conflict between them: it is more fundamentally to do with the nature of power and interest in local authorities²⁰.

Snape (2002:94) identifies five potential long-term and structural/systemic obstacles to the development of overview and scrutiny:

- Re-creating the committee system (culture);
- Insufficient resources;
- Opposition from executive councillors;
- Opposition from senior officers within authorities; and
- Relationship to the party group system.

Snape (2002:94) argues that it is relatively easy to change structures, but changing the culture of authorities as well is proving more difficult. Consequently, scrutiny committees can often operate in a very similar way to the traditional service committees. Furthermore, according to Snape (Ibid) the government has provided no additional funding for training, dedicated officer support and the ability to commission external research. She argues that

²⁰ The case study approach allows me to explore these issues within a local context, across a number of scrutiny inquiries.

overview and scrutiny can often be seen as a threat by the two most powerful groupings within an authority: the cabinet and senior officers. Snape (2002) believes that it can be viewed as a third power base which could undermine the power and control of the other two. Consequently the recommendations of scrutiny are just as likely (if not more so) to be scrutinised and picked apart by the executive (and officers), as executive policy is to be scrutinised by the scrutiny function.

Ashworth and Snape (2004:533) view the local context as triumphing over structural solutions in relation to scrutiny, and that behavioural, attitudinal and constitutional factors shape scrutiny more than centrally imposed structural solutions. They further argue (2004:552) that, 'the traditions of the party group system, of inter-party relations, the culture of officer-member relations and the organisational culture in general are key elements of this crucial local political and organisational context.' These factors are important, but local contexts contain many of the same features for the executive as for scrutiny. Consequently, the effect of the new structural arrangements should not be underestimated, because they can encourage tensions and divisions in the local context to appear in the overview and scrutiny function itself. Indeed, Johnson and Hatter (2004:9) argue that, 'there is evidence to suggest the negative influence of self-fulfilling prophecies in overview and scrutiny: many councillors believe it can achieve little, and so it has.' This is both an inherent problem in the new political management structures²¹, and a local contextual problem.

Snape and Taylor (2001:6) suggest that, 'ultimately, overview and scrutiny committees are not decision-making committees, they are *influencing* bodies, and their success will depend on how well they develop influencing skills and channels.' There is much truth in this statement, but it must also be noted that the successful development of 'channels' may, in some cases, be beyond their scope of influence, for example: resistant executive and external agencies, plus channels blocked by the boundaries of central, regional and local government regulatory/responsibility structures and spheres of influence.

²¹ Scrutiny can provide a fulfilling role for councillors under this, but the new political structures and lack of powers for non-executive councillors tends to encourage a negative response to these new roles.

2.4.3) Evaluative Criteria for 'good' Scrutiny

There is a degree of unpredictability to achieving good scrutiny. From my experience as a scrutiny support officer, there have been times when everything is seemingly in place for a vigorous scrutiny exercise, and yet the 'torch-paper' will not ignite and a meeting will be quite disappointing. Nevertheless the following criteria (developed through my experience as a scrutiny officer) could be regarded as benchmarks for effective scrutiny²²:

- **Effective links to the executive** – Leach et al (2003:34) stress the importance of developing an effective channel of communication between the executive and scrutiny arrangements. This could help to rationalise and simplify the potentially conflictual role the scrutiny process has in relation to the executive.
- **Engagement of non-executive councillors** – does it engage members of the scrutiny forums, and does it engage all backbench councillors? For scrutiny to function effectively members involved in the process need to be appropriately motivated and supported. Is scrutiny, therefore, seen by backbench councillors as providing a worthwhile activity post local government modernisation?
- **Engagement of third parties** – it is important for scrutiny to establish effective links with third parties and to encourage them to become engaged in the scrutiny process for the benefit of all parties. However, there is a general point here about the limitations of the overview and scrutiny function to hold bodies to account (aside from publicising issues) when there is a genuine conflict of interest. Good working relationships are to be encouraged but not at the expense of fulfilling the community leadership role. In addition, the awareness that third parties have of scrutiny in the local governance system, and their capacity to engage with the scrutiny process are important considerations for scrutiny members.
- **Links to the public** – given the community leadership role of scrutiny and the lack of formal decision making powers, it is vital that scrutiny inquiries engage with the public.

²² In the concluding chapter the scrutiny case studies will be examined against these criteria.

This allows scrutiny forums to respond to issues of local concern and enhances the potential for scrutiny to influence decision-makers through the connections it can make to public aspirations.

- **Is it achievable?** – in particular in relation to the complexity of the issue. Are the expertise and time required for an investigation available, and is it worthwhile investing time and resources for the potential scrutiny issue? To a large extent this depends on the resources made available by central and local government.
- **Tractability** – what impact can scrutiny have over a particular issue? In particular, attention needs to be given to the hierarchical nature of governance, and the effect scrutiny can have over the different spheres of influence in the governance system for any given issue.
- **Is it adding value?** – scrutiny can add value in a number of ways: creating new policy, refining and revising policy, bringing issues to the public's attention, and holding internal and external actors to account. The overview and scrutiny function should avoid repetition and becoming merely a 'talking shop'²³.
- **Tracking decisions** – there should be mechanisms in place to keep members informed of what has happened to issues coming before scrutiny, and the outcomes of the scrutiny process. Members cannot rely on officers alone in this respect. They must be sufficiently motivated to find out what is happening to their work; has it been accepted, if not why not etc.

Furthermore, there needs to be a balance between in-depth reviews and one off issues so that the scrutiny process can monitor the work of the executive (and other decision-makers) whilst developing and reviewing policies. In addition, a successful scrutiny process should be able to deliver 'quick wins' as well as more detailed and in-depth inquiries. Sweeting &

²³ However given the marginalisation of backbench councillors (perceived or real) there is some benefit from scrutiny straying into the talking shop role so that members can become more informed and involved in the running of the council.

Ball (2002:212) argue that achieving an effective scrutiny system is demanding and must be responsive to criticisms and demands. Ashworth and Hunt (2003:14) argue that the appointment of specific scrutiny officer teams is beneficial to scrutiny processes, but there are concerns in some authorities that scrutiny officer teams are overstretched and lacked resources. A lack of resources for scrutiny can mean that tracking decisions can be inhibited, as the scrutiny process moves on and officers focus their energies on the topics currently under investigation. Furthermore, skills based training for scrutiny members tailored to local political circumstances helps members to adapt to the scrutiny role (Ashworth and Hunt 2003:16).

The issue/area being scrutinised is central to whether scrutiny will be effective, firstly in terms of whether scrutiny can have an impact, and secondly in whether it motivates members sufficiently. Leach (2002:83) states that, 'the ultimate effectiveness test for scrutiny is whether the decisions (or policies or services) which result from its intervention are better than those which would have resulted had the intervention not taken place (and been accepted). However the problem of demonstrating that one decision (or policy or service) is better than another is fraught with difficulties.' The lack of formal decision-making powers for scrutiny and the ephemeral nature of the process, means that it can be difficult to pin-point the exact impact of a scrutiny inquiry. It is important that this is recognised locally by members and officers. Scrutiny has a complex role in a complex governance system, which will be explored in more detail in the following chapters.

2.5) Conclusion

Overview and scrutiny clearly marks an innovative way of working and potentially provides substantive roles for non-executive councillors. One of the central issues for this thesis is the extent to which that potential is capable of being realised and/or has in practice been realised to date. The above literature overview has highlighted a number of issues the case studies are designed to explore. In particular, they will help to demonstrate the effectiveness of overview and scrutiny in relation to the evaluative criteria for 'good' scrutiny set out above. However, for scrutiny to be effective it needs an enabling set of power relationships and for appropriate knowledge and support to be available. Only then

will there be a shift in councillor perceptions, which is required for good practice to develop in scrutiny (Johnson and Hatter 2004:9).

It is also necessary to locate the overview and scrutiny case studies within an understanding of the wider modernisation agenda, and an assessment of the limits of local government within local governance. This chapter has, therefore, sought to place the role of overview and scrutiny within the context of that modernisation agenda. A number of opportunities and constraints for local authorities have been identified within the modernisation agenda. These will be explored further throughout the thesis, particularly in relation to local government's capacity and role within the governance system. The next chapter further develops the discussion begun in chapter one about the nature of governance, and the constraints on local government within multi-levelled systems of governance.

3) Governance

3.1) Introduction

Having examined in some detail New Labour's local government modernisation agenda and the role of the overview and scrutiny function in modernising local authorities in the previous chapter, it is now necessary to take a step back and situate these policy initiatives within a broader context that will provide a general theoretical framework for understanding the modernisation of local government. The purpose of this framework is to understand the development of contemporary governance systems in which an increasing number of agencies are delivering local services. In such circumstances, the role of local government becomes more complex and challenging.

The structure of the chapter firstly explores the concept of governance. This is followed by an examination of the relationships between global trends and governance, and approaches to governing in governance. The next section narrows the focus to the national policy level. Finally the chapter considers the extent to which local government is an autonomous actor or an agent of the centre.

3.2) What is Governance?

Governance, like many concepts designed to explain social and political processes in late/post-modern or contemporary society, is a relatively fluid and flexible term. Taken loosely Kooiman (2003:4) argues, 'governance can be seen as the totality of theoretical conceptions on governing.' Similarly, John and Cole (2000:81) argue governance is a set of principles of governing encompassing much of the variation in different countries' political systems. By contrast Rhodes (1997:15) suggests, 'governance refers to self-organising, interorganisational networks characterised by interdependence, resource exchange, rules of the game and significant autonomy from the state.' Kooiman (2003:3) argues persuasively governance is a mix of all kinds of governing efforts by all manner of ~~social-political actors; and that different governance modes and orders are,~~ 'societal "responses" to persistent and changing governing "demands", set against ever growing

societal diversity, dynamics and complexity.’ It follows therefore that there is no one best governance mechanism, it is ‘reflexive’ in that it is almost an organic concept that responds to the environment in which it is created.²⁴

Narrowing the concept down somewhat, Stoker (1998:19) defines governance as a, ‘complex set of institutions and actors that are drawn from but also beyond government.’ Consequently, the concept of governance embraces a greater awareness of the need for the state to interact with other societal actors. It does not render traditional government interventions obsolete, but acknowledges that there are limitations to them (Kooiman 2003:3). Thus governance describes governing systems in which public services are no longer provided predominantly by the state but through an increasing diversity of state and non-state organisations. This notion is reinforced by the view that local government has been transformed from the dominant public institution to one body amongst many in local governance (John 1997).

Although it is relatively hard to pin-down a precise definition of governance, this is not necessarily a conceptual weakness. This flexibility allows us to bring together common strands of complex and differentiated governing arrangements for local polities. As Newman (2001:11) states governance is, ‘an analytical concept giving rise to questions about what forms of power and authority, patterns of relationship and rights and obligations might typify a particular approach to governing.’ Consequently governance can be used as an analytical tool to explore different approaches to governing over time. The next section explores what is particular about contemporary governance.

3.3) Why Governance Now?

Having identified what governance is, it is necessary to examine why governance is of particular importance now. This section explores some of the global trends that are closely linked to changes in governing and are central to understanding the emergence of governance. The second part of this section explores the impact of the separate but cross-cutting trends of globalisation and governance on governing in this context.

²⁴ This is why the circumstances in which governance are formed are so important, and are explored more fully in section 3.3.

3.3.1) Global Trends

In this section I will argue that global trends have had an important role in shaping the conditions of, and for, local governance. I have referred to global trends rather than globalisation²⁵ because as Giddens stated in his first Reith lecture in 1999, 'globalisation...is a complex set of processes, not a single one. And these operate in a contradictory or oppositional fashion.' Consequently Giddens (1998:31-32) has identified globalisation as 'pulling away' from the nation-state, 'pushing down' by creating new pressures for local identities, and 'squeezing sideways' by creating new economic and cultural regions that sometimes cross-cut nation-states. Furthermore he sees globalisation as comprised of economic, political, cultural and technological strands. These factors have a role in shaping governance in a reflexive system. Giddens (1991:21) describes modernity's reflexivity as referring to, 'the susceptibility of most social activity, and material relations with nature, to chronic revision in light of new information or knowledge.' However despite this reflexivity and the consequent potential for *difference* it is argued here that the economic strand of globalisation is the dominant influence in shaping not only the institutions of governance, but also the extent and nature of the scope for reflexivity, difference and choice.²⁶

Giddens (1999a) describes two different groups of thinkers who have adopted strongly contrasting views of globalisation as an economic phenomenon. These are the *sceptics* and the *radicals*. Firstly the sceptics do not see anything especially different about the contemporary global economy compared with previous periods. Most countries gain only a small amount of income from external trade, and a good deal of economic exchange is between regions, rather than worldwide (Giddens 1999a). By contrast the radicals argue globalisation is real and its consequences can be felt everywhere. The global market place is developing rapidly, and is indifferent to national boundaries – nations have lost much of the sovereignty they once had, and politicians have lost much of their ability to influence

²⁵ however now the distinction has been made global trends and globalisation can be regarded as being similar throughout the thesis.

²⁶ Despite the sometime structuralist slant of this thesis, I believe there are real choices to be made here. It is the scope for these choices that is limited.

events (Giddens 1999a). Giddens sides with the radicals in this debate, arguing that the level of world trade is much higher and more diverse than in the past, with increases in financial and capital flows being particularly significant.

However, there is also value in the argument of the sceptics. Watson and Hay (2003:302) argue that (because) the contingent politics of labour market and welfare reform has seemingly been rendered necessary there has been a triumph, not of the non-negotiable character of globalisation, but of political rhetoric and electoral expediency over economic reality. However, they also argue that governments of the centre left have been unable to halt processes of welfare retrenchment²⁷ (Watson and Hay 2003:291). Consequently there is some value in the radicals view because globalisation in Watson and Hay's (2003:290) own words has increasingly, 'come to be seen as a non-negotiable external economic constraint, circumscribing the parameters of political possibility and political choice.' These constraints have real effects as the notion of globalisation and the constraints it is seen to imply have served to institutionalise many of the consequences the discourse would claim to describe (Watson and Hay 2003:295). Consequently, whilst some academics may claim that the economic effects of globalisation have been distorted and used to further a particular political agenda, there is a (relative) convergence of opinion about its consequences.

Nevertheless King and Kendall (2004:140) argue, 'for many, globalisation is primarily an economic phenomenon – it refers to the increasing worldwide integration of economies over recent decades and is associated with the triumph of liberal capitalism as the dominant economic mode.' There is a general recognition that financial investment freedom has undermined the economic authority of the nation state and resulted in the convergence of politics and economies towards a neo-liberal model around the world (King and Kendall 2004:140). They also argue, however, that there is some disagreement over whether there is a need for state regulation and intervention to overcome flaws, or whether a system of 'capitalist autopoiesis' (which are self-organising and self-reproducing) should be pursued. This disagreement is reflected in the varieties of reactions to globalisation in nation states, but importantly from the neo-liberal base described above.

²⁷ They are referring to most OECD countries here, and in terms of demand-inflationary pressures, rather than in aggregate terms.

Whilst governance and government exist at different levels and in different contexts so success at one level may be dependent on decisions and influences at other levels (Jessop 2000:19). Indeed, one view expressed by Hutton (2003:45) is that even if the US were a purely passive power, the sheer scale of the US economy would mean that American priorities, interests and values would naturally predominate in global affairs to the extent that other countries would find their ability to develop alternate economic and social models severely limited. However Hutton's view is that, in practice, the US is not a passive power. Rather it is an active 'hyperpower' that dominates the global sphere. Consequently the US's influence on the governance and government of other countries is greater than it would be as a passive power. The argument here is not that the US dictates the UK's governance arrangements and solutions, but rather it substantially defines and limits the context within which these operate.

As a consequence of the shift in emphasis described above, Byrne (1999:70) argues that, 'advanced industrial societies are converging on a norm of social politics organised around a flexible labour market and structural social exclusion.' This is driven by the ideology of liberal capitalism that is represented as an inevitable tendency, geared towards the manipulation of the political process and subordination of policies to business interests (op.cit 71). Hutton argues that Blair and Brown have been no less enthusiastic about US economic dynamism than Thatcher. Britain defines itself in Europe as the English speaking Anglo-Saxon model – a stock market based capitalism, complete with a minimal welfare system²⁸ and flexible labour markets (Hutton 2003:264). Hutton (2003:273) moves on to argue that against this backdrop New Labour has struggled to establish a moderate strain of social democracy, not daring to challenge the 'doctrine of shareholder value' or the system of corporate governance, and has profoundly defended the least regulated labour market in the OECD.

As Bauman (1998:68) states, rather dramatically, but with some justification, 'the separation of the economy from politics and the exemption of the first from the regulatory intervention of the second, resulting in the disempowerment of politics as an effective

²⁸ Hutton here is referring to Britain in the pre-enlargement Europe, but it is important to recognise that there are some much more minimal welfare states than Britain worldwide.

agency, augurs much more than just a shift in the distribution of social power.’ Economic globalisation (expanding international trade, fiscal mobility, powerful multinational companies and transnational policy-making organisations committed to liberalisation) constrains government autonomy in national economic management (Taylor-Gooby 2002:598). Governments find it hard to ignore tax, fiscal, regulatory, tariff or labour force policy for international competitiveness, attracting foreign investment or for relations with transnational political bodies (Ibid).

King and Kendall (2004:143) outline an argument in which economically globalisation can refer to more than free trade or trade liberalisation and instead it encompasses the development of a world market, in which local economic and political actions are increasingly losing influence. Consequently when Hutton (2003:8) states, ‘we are all becoming American conservatives now,’ he is referring to the dilution of the state, through the assertion of property rights and business interests over social concerns and public interest. New Labour of course would dispute this claim. Key initiatives like the minimum wage, tax credits guaranteeing working families £20,000 per annum, and pension incomes over £100 per week compared with £65 under the Tories, would suggest that there is the potential for real differences to emerge nationally. Indeed King and Kendall (2004:143) identify an argument in which the nation state has not withered away because it can engage in a range of adjustment strategies. However, the ability to raise taxes, increase social expenditure, and generally manage economies as they wish is also limited by global factors. Yet, King and Kendall move on to argue that there is, in fact, no clear correlation between a country’s openness to direct foreign investment and social spending. So therefore the particular reactions of nation states to global constraints are key. As King and Kendall (2004:139) argue it is becoming increasingly clear, ‘that the processes of globalisation do not provide standard or similar outcomes across the world, but are shaped and adopted by a variety of local structures and cultures.’

Perhaps Hutton takes too determinist a view of the effects of globalisation. There are political choices to be made here. Indeed Taylor-Gooby (2004:618) concludes from his case studies of welfare systems in France, Germany, Sweden and the UK that there are clear differences between the reform processes in the different countries, which reflect both

the regime type and polity. These countries have followed very different trajectories, *differences* and *discontinuities* are more notable than *stability* and *resilience* (Taylor-Gooby 2002:619). Thus, according to King and Kendall (2004:154), ‘there would appear to be a number of policy options for countries wishing to compete effectively in the global economy.’ However, through political globalisation, states are also required to co-operate more than before to find ways of regulating economic globalisation and cope with worldwide issues like the environment and immigration (King and Kendall 2004:146). But whilst there may have been a ‘pooling of sovereignty’ levels of taxation and social expenditure may just as easily reflect a government’s domestic economic policies and electoral concerns as the influence of worldwide capital (King and Kendall 2004:154).

However, Hutton (2003:8) also argues that, ‘political ideas matter. They define what is possible and impossible.’ Hutton is arguing here that political ideas are limited by American power and by its control of the means by which ideas are disseminated to form a new ‘international common sense’. Within the parameters of this worldview, local capacity for service delivery and the resolution of local problems are constrained; whilst simultaneously creating all manner of social problems at the local level that are associated with post-industrial capitalist societies. It is in this context that we can see the need to develop governance solutions in place of government ones. Indeed Taylor-Gooby (2002:601-602) argues that welfare states have responded to such pressures by adapting delivery mechanisms to these pressures rather than by eliminating state responsibilities, though the latter remains firmly on the political agenda. King and Kendall (2004:164) argue that adaptability is not the same as weakness and that changing institutional configurations do not necessarily lead to a loss of state power. However, it could be argued, that the impact of this adaptability at a national level has tended towards a loss of state power at the local level²⁹. Furthermore, if governance is viewed as an ‘adaptability response’ by nation states to global pressures it is necessary to recognise that this adaptation is currently part of a transitional phase in the role of the state. Whether the state

²⁹ This will be explored further in the next section, and also in the following chapter which focuses on the notion of partnerships and LSPs more specifically. New Labour has committed itself to the importance of partnerships as a governance response to the issues highlighted above, there is a realisation and awareness of the need for partnerships to tackle these cross-cutting issues.

will enhance its control through governance adaptations in the long run, or its responsibilities will become diminished is (at this time) unclear.

Giddens (1999a) has followed Bell in arguing that the nation state has become too small to solve the big problems, but also too large to solve the small ones. However, it could also be argued that the loss of control over big problems has led nation states to become increasingly preoccupied with delivery at the local level because there is less for them to do/effect at a broader level. In turn, because local authorities are democratically autonomous bodies they are not as easily controlled as bodies appointed directly by governments. Consequently the focus of the New Labour government on management, audit, and single purpose agencies (like housing companies and foundation trusts) are not only viewed by the current government as a route to improved service delivery but also create continuity with the previous Conservative administration's policies for local government. They can also be seen as an attempt to govern by different means at the local level. The effects of this are a key concern of this chapter.

The argument being developed above is that (at least partly) as a result of global trends there is a changing role for nation-states. Governing and governance took place in a much more closed system in the past, in which the links to money markets were not so close. Globalisation has been an engine of economic growth, and national governments have bought into this, but to do so they have had to adapt to it as well. The consequences of that process of adaptation are reflected in the nature of the welfare state. Taylor-Gooby (2002:597) argues that there was a 'golden age' of European post-war welfare states characterised by stable, predictable and moderate levels of need for the main services. This was accompanied by the confident assumption that national governments were 'masters in their own houses', and in full control of their national economies (Taylor-Gooby 2002:597). However, King and Kendall (2004:162) highlight the importance of recognising that nation states have never exerted total control over their economies, and that national responses to globalisation vary greatly despite facing similar global pressures. There are, for example, many corporatist political systems in central and northern Europe, and consequently the neo-liberal models are by no means ubiquitous (King and Kendall 2004:162). Nevertheless, for Taylor-Gooby the results of demographic and socio-economic

trends and the broader effects of economic globalisation are leading to a 'silver age' of welfare. There remains a commitment to citizens' welfare but this is tempered by growing concerns about competitiveness, cost constraint and individual choice (Taylor-Gooby 2002:598). In this respect the state has become an enabler, reducing its role as a direct provider – in the post-war welfare state, the state was seen as guarding against the perverse tendencies of the market, now the market is seen to guard against the perverse tendencies of the state (King and Kendall 2004:7).

As the above overview indicates, the importance of globalisation can be overplayed but it is a useful concept for widening the scope of analysis in this study of the respective roles and influences of local government and local governance. As Rhodes (1997:197) states, 'globalisation places change in British government in a broader context. It raises important questions about: the impact of the international system on the administrative structuring and restructuring of the nation state; the relationship between the nation state, the rule of law and the international system; and the effect of the internationalisation of policy making on domestic steering capacities.' The next section explores the implications of governing in the context.

3.3.2) Governing in Governance

Having identified the broader processes shaping the emergence of governance, I shall now turn to some general conditions of, and for, governance. The concept of governance links the move beyond the fragmenting and dislocating market reforms of the 1980s, with the need for analysing the complex interactions and interdependencies of government institutions, communities, citizens and civil society (Newman 2001:17). However, Newman stresses that to suggest we are moving from hierarchies, to markets and then to networks is an oversimplification of this change. Indeed governance can best be viewed as encompassing these changes, and as a loose term for the governing arrangements between, and across, these. Jessop (2000:15) argues that governance has emerged as a response to the failure of both the state (bureaucratisation and citizen disempowerment) and market (inequality and market failure). Consequently, Painter and Goodwin (2000) argue that new forms of co-ordination between the public and private sectors are required.

However, Painter and Goodwin (2000:42) argue that, by the turn of the century, nothing coherent had replaced the Fordist Mode of Regulation (MOR), in which the provision of social welfare was deemed functional for economic growth and development, as well as for a degree of social cohesion and stability through a 'social wage'. Bevir et al (2003) have described the New Public Management (NPM) that developed in the 1980s as replacing Fordism to some extent. For Bevir et al (2003:1-2) NPM can be viewed as focusing, 'on management, not policy, and on performance appraisal and efficiency; disaggregating public bureaucracies into agencies which deal with each other on a user pay basis; the use of quasi-markets and of contracting out to foster competition; cost-cutting; and a style of management that emphasises, among other things output targets, limited term contracts, monetary incentives and freedom to manage.' Whether this produced a coherent system of governance is open to debate. The use of quasi-markets and contracting out can be regarded as coherent in that they are 'in line' with the more neo-liberal tendencies of economic globalisation. However, the impact of these changes have been to produce an increasingly complex and less understandable system of governance.

Whilst the effect of NPM, and its consequences, represented departures from Fordism, the present mode of governance can be seen as a further development (and in some respects a continuation) of NPM under New Labour. However, a distinguishing feature of at least the rhetoric of New Labour is its focus on 'joined-up government' and, with rising public expenditure, a stronger focus on outcomes rather than just process. This emphasis in turn may be interpreted as at least an embryonic strategy for dealing with the increased fragmentation generated by NPM and associated forms of governance.³⁰

Rhodes (1997:48-49) usefully distinguishes between two meanings of NPM. Firstly, *managerialism* – introducing private management techniques to the public sector through explicit standards and performance measures, value for money, and managing by results. Secondly, *new institutional economics* – the introduction of incentive structures (market competition) into public service provision³¹. According to Rhodes the implication of this

³⁰ This will be explored further in the next section, and more fully in the next chapter.

³¹ Both these strands are evident in New Labour's approach to governance, and are explored further in this section and in 3.4.

has been the transformation of the public sector, which involves less government but more governance. Along similar lines Osborne and Gaebler (1992) have claimed that government's have become increasingly engaged in 'steering' rather than 'rowing'. Indeed for Rhodes (1997:49) NPM is relevant to the discussion of governance because steering is central to NPM, and steering is a synonym for governance.

The shift from the state rowing to steering is critical to the understanding of governance. For King and Kendall (2004:129), 'the exercise of public authority in nation states increasingly has to take account of other agencies, including private and international ones. Many domestic organisations, private and public, rather than government, are critical for social steerage.' The central state retains considerable power, but through horizontal rather than hierarchical arrangements. In this view sharing power is more likely to deliver flexible and innovative responses to the external global environment rather than rigid demarcations between the state and the market (King and Kendall 2004:129). This produces 'infrastructural power' through which the state can reach out into civil society to have its policies implemented, and state power is at its greatest through co-operating with society (King and Kendall 2004:130). Accordingly power is shared but conditionally. This can be associated with what Newman (2001:17) describes as an increasing public policy, 'focus on civil society, institutional renewal, democracy and citizenship (which) can be viewed against what is perceived to be the narrow reform agenda of neo-liberalism.' There is a subtle, but critical difference between King and Kendall's and Newman's interpretation of the state sharing its power in this respect. The former view this approach as almost a natural reaction to governing within the global environment, whilst Newman views this as a counter-balance to the narrow reform agenda that has emerged through the UK's response to global trends.

These trends have led Rhodes (1997:198) to state that, 'dramatic changes are taking place in British government. The shift from government to governance may not introduce the post-modern era, but it is impossible to refuse the invitation to ponder the direction and pace of change at the end of the twentieth century.' Indeed, the state as an institution of governance has been in flux in recent years, but retains many of its core features (Kooiman 2003:129). Kooiman argues that it is possible to hypothesise that these changes are, at least

partially, due to the impact of the diversity, dynamics and complexity of modern society on the modern state. So it can be argued that by moving from governing through command to regulation we are witnessing a governance response by the state to the complexities of modern economic and social processes (Kooiman 2003:129). Similarly the shift from procuring to enabling reflects the diversity of client-service relations, whilst post-modern culture, social and economic globalisation and the assumed IT revolution all impact on the nature of the state (Kooiman 2003:129). In light of these changes, the role of the nation state, and New Labour's approach to governance, will be explored more fully in the next section.

There is general understanding that governance is closely associated with the notion of adaptability. So Kooiman's (2003:201) assertion that, 'entropy is a tendency present in any system to disintegrate and even disappear in the long run,' sheds an interesting light on the governance debate. Kooiman argues that all social systems tend towards atomisation and anarchy and efforts must be made to maintain levels of integration and organisation. Consequently, the emergence of the current mode of governance can be interpreted as a means of countering entropy in contemporary governing structures. In this respect the local government modernisation agenda can be viewed as the state's response to entropy and changing demands in relation to local governance. A key issue here is whether the adaptability associated with governance responds effectively to the conditions of entropy actually present in current systems of local government and governance.

O'Neil (2002a) argued, in her first Reith lecture, that the developed world has become increasingly aware of risk. This contemporary phenomenon has coincided with the emergence of new and more complex forms of governance. This, in turn, is related to the emergence of expert systems, within the more differentiated governance structure, in which knowledge has become increasingly specialised, and therefore more able (in theory at least) to minimise risks. However, as a consequence of reflexive modernity, expert systems face a degree of internal and external complexity, dynamics and diversity that cannot be mastered directly from a uniform centre (Scharpf 1999). Expert systems require new, more communicative and co-operative modes of re-centring from above, allowing for bottom-up articulation of decisions and actions (Bang 2004:159). However, Kooiman (2003:208-9)

argues, 'governing, governance and governability themselves have highly dynamic, complex and diverse qualities of their own. The lack of insight in this might be one of the major reasons why so much present day governance is ineffective.' The argument here is that while emerging forms of governance have reflexively reacted to the context in which they operate the unintended consequence of this has led to greater complexity and a corresponding lack of understanding about the nature of governance systems, and how to govern in such situations of complexity³².

The changing role of the state draws attention to two sharply different contexts/worldviews in which the state and intellectual discourse take place, modernity and post-modernity (Bauman 1987:2). Bauman identifies the typical modern strategy of intellectual work as being characterised by the metaphor of the 'legislator' role. This refers to the authority to arbitrate being legitimised by superior (objective) knowledge to which intellectuals have better access than non-intellectual parts of society (Bauman 1987:4). Access to this knowledge is furthered through procedural rules with universal validity. The role of the intellectual here can also be equated to that of the professional expert. In the Fordist state *issues* were captured by professional decisions and bureaucratic processes, in which there was a lot of professional autonomy. However this has declined with less trust in intellectuals and professionals. In a discussion of Clegg's (1990) research Rhodes identifies how there has been a shift from traditional Weberian (formal bureaucratic) organisation to new post-modern forms of organisation that don't have clear boundaries with their environment. As a consequence of this lack of clarity Bauman identifies the typical post-modern strategy of intellectual work as being characterised by the metaphor of the 'interpreter' role. Bauman (1987:5) argues that, 'instead of being orientated towards selecting the best social order, this strategy is aimed at facilitating communication between autonomous (sovereign) participants. It is concerned with preventing the distortion of meaning in the process of communication.' The post-modern strategy does not imply the elimination of the modern one, but the universalistic ambitions of the intellectuals' own tradition. This leads to the territorial claims of 'general' intellectuals becoming contested, inherently problematic and difficult to legitimise (Bauman 1987:6). In their place the role of specialist intellectuals grows and is less problematic.

³² This will be tested through the scrutiny case studies.

The emergence of governance as an increasingly significant concept very much reflects the post-modern view of partial intellectuals and expert systems. This is of critical importance to the role and success of the scrutiny function (see below). A key issue to be explored through the case studies is the extent to which scrutiny is concerned with negotiating between different perspectives/knowledges (as it would in a post-modern way) or about establishing the 'facts' (which is the most desirable strategy in a modern approach)?

The fragmentation and complexity that has emerged in governing and governance and the associated trends in managing specific issues through more efficient and focused approaches associated with expert systems are central to the role of scrutiny. Skelcher (2003:8) argues that, 'the central features of such special purpose agencies are the decoupling of their management and policy-making from direct control by elected politicians, and their focus on a single policy sector in contrast to the multi-functional responsibilities of the local authority.'³³ Scrutiny is a key governance mechanism in localities that allows councillors to react to and explore the governance context in their localities. However, there are serious issues surrounding the capacity, resources and powers of scrutiny to fulfil this role, as have been highlighted in the previous chapter and will be explored further through the case studies.

Furthermore, the trends towards increasing fragmentation described above have led to changing conditions of governability. Rhodes (1997:3) argues that the concept of governance has utility in demonstrating a move from unitary government to one of many centres linking many levels of government – local, regional, national and supranational. The notion of governance being a 'response' to governing a changing society is an important one. Kooiman (2003:194) states that, 'a governing system must be able to represent the basic types of variety found in the system to be governed.' However due to the nature of fragmented governance Perri 6 et al (2002) suggest that there are difficulties in developing governing systems to reflect this variety without creating further complexity³⁴. These include: the dumping of problems and costs by one agency on

³³ The extent to which this is addressed/managed through LSPs is examined in the next chapter.

³⁴ A fuller discussion of fragmentation in governance is provided in the next chapter as a basis for which the New Labour holistic governance agenda and partnership based approach to governing have emerged.

another; conflicting programmes; duplication; conflicting goals; lack of or poor sequencing; narrow exclusivity in responding to need; inaccessibility of services; confusion about their availability; and gaps in service provision or interventions (Perri 6 et al 2002:37-38).

Because governing and governance are becoming more complex and varied there is a need for some meta-structures or interorganisational co-ordination, or 'metagovernance' – the 'governance of government and governance' (Jessop 2000:23). Kooiman (2003) describes 'three orders of governance'.

1. The first order involves governing actors trying to tackle *problems* or create *opportunities* on a day-to-day basis (Kooiman 2003:135). These processes are embedded in institutional settings (Kooiman 2003:153).
2. The second order encompasses the care for and maintenance of institutions and focuses attention on the structural aspects of interactions, controlling or enabling problem solving or opportunity creating practices in modern societies.
3. The third-order is metagovernance, in which various norms are established that form a framework that directs and sets boundaries for governing at the first and second governance orders (Kooiman 2003:188). Jessop (2000:23) warns that metagovernance should not be viewed as a single all purpose form of governance, although it involves, 'defining new boundary-spanning roles and functions, creating linkage devices, sponsoring new organisations, identifying appropriate lead organisations to co-ordinate other partners, designing institutions, and generating visions to facilitate self-organisations into different fields.'

Returning to the impact of global trends on governing in governance and the transformation of the state in the global economy, Weiss (2003:315) argues that, 'globalisation does indeed impact on national governance and its domestic structures, but the impact is not only, or even generally constraining. Rather, the impact is just as likely to be enabling – in particular, enabling the emergence of governed interdependence.' According to Weiss (2003:308-9) 'governed interdependence' is a tendency of globalisation, through which state-society relations become closer, and public-private partnerships, policy networks and self-regulation under the state's goal setting auspices all increase. Weiss is arguing that this

is a more specialised version of infrastructural power, which is vital to the state's transformative capacity. The scrutiny case studies will investigate the extent to which there has been a change in the infrastructural power/capacity of the state and whether governed interdependence is occurring, and what effect this has had on the transformative capacity of the state.

Whether the impact of governed interdependence is capacity constricting or enhancing depends to a large degree on the prevailing norms and state-society linkages in the domestic environment (Weiss 2003:315). Furthermore, Weiss (2003:299) argues that whether institutional interdependence intensifies or softens the constraints on economic governance and policy autonomy depends on the normative and organisational configuration for the specific issue area in question. It is, therefore, possible to embrace the idea of change resulting from globalisation, without resorting to notions of globalisation imposing generalised convergence (Weiss 2003:311). Consequently, Weiss moves on to propose that the more globalised the market, and the more systemic the risk is, the greater the incentives are for a governed interdependence response. The case study inquiries will provide a valuable insight into the governance arrangements (and the extent to which governed interdependence is apparent for each of the scrutiny case study topic areas) dependent on the level of risk for the issue, and whether state power (especially locally) gives way to a more negotiated form of co-operation between a variety of actors.

3.3.3) General Governance Conclusions

The emergence of governance generally, and this current 'mode' of governance in particular, is not taking place in isolation from broader economic, social and political trends. Old political systems do not have enough capacity to yield the policies necessary for dynamic local economies in an age of rapid change (John & Cole 2000:82). Global *ideological* factors are shaping the emergence of this mode of governance, shaping the particular complexities, dynamics, and diversity of governance that Kooiman (2003) talks about. Through outlining these strands of globalisation and governance a context emerges in which the local government modernisation agenda has been developed. It is necessary to stress that this is not a strictly determinist context, although the developments in

globalisation and governance have provoked and encouraged the need for (and to a lesser extent) the nature of national and local governance responses. In turn, the choices that national governments make within this context strongly influence the role, remit and efficacy of local authorities and their scrutiny functions. A key issue for scrutiny here is whether this context will allow scrutiny to perform its accountability function. This issue is closely linked to complexity in governance. On the one hand complexity makes it more difficult for scrutiny to secure transparency in governing arrangements; and on the other the power and influence of local government is constrained through complex structures of power and influence within the wider governance arena.

Regardless of the perceived causes of this mode of governance, it is clear that state actors seemingly have less control over governing and have to bring other actors into the process. When presented neutrally governance can be seen as a way of 'keeping up' with changes in governing and governability. However to suggest that market advocacy is not so much an ideological choice as a technical necessity as Blair and his government have done (see Watson and Hay 2003), is an oversimplification. According to Watson and Hay (2003:297), 'Labour's globalisation rhetoric was predicated on the assumption that exogenous economic forces ensured that 'choices are constrained' in line with strict macroeconomic orthodoxy.' However Watson and Hay argue that this is not so much the result of the non-negotiable character of globalisation, but the dominance of political rhetoric and electoral expediency over economic reality. I partially agree with this, but would argue that the global processes described in 3.3.1 create the starting point from which there is limited room for manoeuvre/negotiation. Furthermore this limited room for manoeuvre is just as much an ideological as an economic constraint. This is significant because it determines the macro-economic/political framework, within which decisions about the role of government and public expenditure have increasingly been seen to be determined within. I am not arguing that global/international processes completely define governance at all levels, but that they create the starting point from which there is limited room for manoeuvre for national and local difference.

~~The idea that good government is minimal government~~ has influenced the growth of governance (this is explored more in the next section) as New Labour have sought to

deliver public services in a more open system. It could be argued that global pressures encourage states to enter into increasingly complex and differentiated processes for delivering services, because this form of adaptation is critical to ensuring these services remain. A good example of this has been the preoccupation with inflation by government's in recent years. Watson and Hay (2003:298) quote Blair, speaking in 1995, as suggesting that in the new economic environment, 'low inflation is not simply a goal in itself, it is the essential prerequisite both of ensuring that supply-side measures can work to raise the capacity of the economy to grow.' The consequences of attempting to squeeze inflation out of the global economy have been quite profound in terms of the emergence of governance. Held et al. (1999) have suggested that the forms and modalities of the state have differed with globalisation, the costs and benefits of policy choices have changed, resulting in more multi-layered governance. Through encouraging more agencies/bodies to become involved in the delivery of public services the public sector borrowing requirement is lowered and controlled, which reduces inflation, and increases the number of actors involved in governance arrangements and the complexity of these arrangements. Nevertheless, this is not simply a managerial issue, the driving force behind the need for governance, as well as the governing mechanisms themselves, stems from an ideological, political and economic worldview. Consequently, there seems to be a loss of state autonomy and a growing perception by states of the need for a greater degree of cooperation (King and Kendall 2004:161).

3.4) The National Level

I would not be in politics, New Labour would not exist, if we accepted the idea that the modern world has somehow made futile the pursuit of our progressive values. That all we can do is cling on to the fragments of the post-war settlement whilst we let the tide of individualistic modernity wash around us. –

From a speech made by Prime Minister Tony Blair at the Guardian Public Services Summit 29/1/04.

— As we have seen the emergence of this current phase of governance coincides with, and is linked to, developments in a broader global context. The effect of this context has been to

prompt a reaction from nation states. This section will outline the UK's reaction to globalisation, particularly in relation to issues of governance and the responsibility for delivering public services, of which local government is not only a key deliverer but also *the* democratically accountable and representative body in localities.

Kooiman (2003:11) states that, 'no single actor has sufficient action potential to dominate unilaterally.' However, central government is in a better position than most in this respect. Indeed, according to Rhodes (1997:15), the centre has more legal resources than any other domestic actor, but there are clear limits to, and constraints on, central government intervention; 'there is a persistent tension between the wish for authoritative action and dependence on the compliance and actions of others.' However, Painter and Goodwin (2000:52) argue that local governance still depends on national government for its powers, and there is often a lack of authority given to agencies of local governance. There is still a key role for the nation state in allocating regulatory capacity and authority to local governance despite the forces of localisation and globalisation (Ibid).

Indeed, Davies (2002:312) argues that, 'for Harding (1997: 308) the State is now, more than ever, influential in determining the way cities and regions respond to the challenge of globalisation.' Political action at the national level remains vital in mediating between global pressures and local responses. For any social contract there has to be a collective agent that can organise it, and a public space to debate its character (Hutton 2003:97). Hutton moves on to argue that by not having a constitution reflecting enlightenment values and merely bolting representatives onto its monarchical political system, Britain has a much weaker conception of the public realm than its European partners. This marks an important factor in the emergence of the UK's mode of governance. In his study of European welfare states Taylor-Gooby (2002) found that reforms tended to follow regime type – consequently in liberal states like the UK the market is stressed.

The influence of the polity during the Conservative years, in relation to governance, needs to be explored briefly to understand the position New Labour inherited in 1997. Hood and James (1997:185) argue that the Conservatives pledged to *prune* the quango state on coming to power. However they were unsuccessful in fulfilling their intention as the

number of nationally funded bodies delivering public services, formerly provided by local authorities, rose to over 4,500 under their patronage (Hood and James 1997:185). Furthermore an effect of NPM has been to introduce market competition into public service provision, and private management techniques into the public sector. This developed, at least in part, as a reaction to governing in a much more open system – in response to the global trends described in the previous section. New Labour has a national programme aimed at social improvements within the room for manoeuvre it considers it has in this open system. The Commission on Social Justice (1994) has described the type of strategy adopted by New Labour as that of the ‘Investors’. The strategy here is to link the ethics of community with the dynamics of a market economy. Extending economic opportunity to every individual is a source of economic prosperity and also a basis of social justice, and is dependent on strong institutions, families and communities (Commission on Social Justice 1994:95). In this respect the notion of an *adaptive* state is crucial for responding to the contemporary demands of highly diverse and individualistic societies. At the same time the openness of the economic system has resulted in *delivery* becoming an increasingly major theme of government, and as a consequence management and audit have grown in prominence.

According to Newman (2001:48), ‘globalisation occupies a special place at the core of a series of narratives that construct an imperative to change,’ cutting across the economy and institutions of civil society leading to the drive for modernisation. Accordingly the government’s modernisation agenda has emphasised the importance of government focusing on the causes not symptoms of problems, which leads to a wider recognition of the interconnectedness of ‘social, economic and political’ problems and, therefore, the importance of holistic and joined-up governance solutions (Newman 2001). However, there is a paradox at the heart of the government’s agenda, as there has been a ‘hollowing out’ of the state with power shifting to international financial markets, to global companies who can move capital between markets, and to supra-national elites like the EU and World Bank (Newman 2001:12). Consequently, the hollowing out of the state reinforces the need for holistic/joined-up governance capacities and capabilities as the state increasingly focuses on funding/commissioning/enabling functions, in a more pluralistic economy of providers.

Perri 6 et al (2002) view the holistic governance agenda as a way for governance agencies to find solutions to the problems citizens most worry about. These 'wicked problems' cross departmental boundaries. To promote health, community safety and employability requires the co-ordinated effort of many public, private and voluntary agencies (Perri 6 et al 2002:35). As Kooiman (2003:194) argues, 'the more diverse the qualities to be governed, the more diverse the necessary governing measures, and the more diverse the relation between the two.' Whilst this is an important factor in governance, I think that the role of the state in directing and intervening in these relationships can be overplayed. The complexity here requires an activist state to be able to push policies through. However, the willingness/necessity for the state to intervene at this level can be misinterpreted to suggest that the state is as powerful as, or even more powerful than, it once was. But I would argue that the onset of governance, could equally be interpreted as providing the state with more 'avenues' to go down at the national and local level (in terms of providing, regulating, directing, inspecting, monitoring, and commissioning services), but these avenues have been created partially through the trends resulting from globalisation³⁵. So whilst the state may be travelling further than it used to, as a result of increased fragmentation and complexity in governing and governance, it may not be getting as far as it once did.

Nevertheless, Taylor-Gooby (2002:599) argues that the high spending welfare systems have thus far survived, developed and shown resilience to the more neo-liberal aspects of globalisation. Within this bracket the broad line of division between high spending Nordic, more moderate continental corporatist, rapidly developing Mediterranean and lower spending liberal regimes, like the UK, remains (Taylor-Gooby 2002:599). However within the liberal regime there have been developments between governments. Consequently, Newman (2001:54) argues that in the UK, 'the "Third Way" can partly be understood as an attempt to retain the economic gains of the Thatcher years while also attempting to re-inscribe a set of moral and civic values that fitted rather uneasily with neo-liberal economics.' So whilst it may be the case that Labour has continued with a mixed economy of welfare they have done so with an increased role for the 'third' sector, and with a strong emphasis on collaboration and partnership (Newman 2001:83). Nevertheless, Newman argues that, 'there was a continued focus on pursuing organisational efficiency and

³⁵ i.e. through the privatisation of services and purchaser-provider splits that have become a feature of governance arrangements in the UK and other countries.

performance, and on the search for business solutions to social problems.’ Given the developments in governance described above Blair (2004:11) is quite right to assert that, ‘the truth is that diversity in the quality and type of services is not a reform; it is a reality.’ And in response Blair’s (2004) strategy for continuous improvements in public services involves greater choice for the public, a greater voice for the public, more personalised services, and a reliance on partnerships between (and across) providers and consumers. Newman makes the argument that rather than being seen as an example of the hollowing out of the state, partnerships could be viewed as further dispersal and penetration of state power, drawing local stakeholders into a more direct relationship with the state, and drawing them in to deliver the government’s agenda. The state’s capacity to secure political objectives is enhanced by sharing powers with a range of actors, whilst remaining the dominant partner (Newman 2001:125).

According to Kooiman (2003:120) the, ‘state may change its ambitions but seldom will it give up or wither away completely. It will redefine its hierarchical mode of governance in the light of shifting aspiration.’ Along these lines Bevir and Rhodes (2003:55) contend that, ‘New Labour’s notion of governance seeks to transform the state into an enabling partner by promoting the notion of networks of institutions and individuals acting in partnership and held together by relations of trust.’ Perri 6 et al argue that Blair’s is a centrist government. It wants to institutionalise social peace between rival forms of social organisation (through governance and partnerships), it sees itself as correcting the excesses of the previous direction in policy and public administration towards fragmentation and incoherence (Perri 6 et al 2002:17). Indeed Blair argues that during the 1960s and 1970s there had been an unprecedented growth in public services, which was dominated by the professions at a local level and this led to low standards, unacceptable variability in delivery and the disempowerment of service users (Blair 2004:8). The Prime Minister (2004:8) argues that, ‘by arming the public with greater choice and by strengthening their individual and collective voice we are making them partners in service improvement.’ But Perri 6 et al (2002) take the view that this is based on a programme of social peace between capital and labour, which necessitates focusing on more modest goals than previous — governments e.g. combating social exclusion instead of narrowing inequalities.

The notion that ‘social peace’ between capital and labour has produced more modest goals is directly linked to the governance arrangements that have emerged to deliver these goals³⁶. These are, in turn, linked to the broader global context, which encourages the use of quasi-markets and contracting out in a more competitive economic system. Taylor-Gooby (2002:601) argues that governments have not responded to new pressures by ‘rolling back’ their welfare states but there have been real changes in approach such as through recalibration, transition, and restructuring. In this respect two main policy directions stand out – *cost containment* (through wider ranging targeting and stricter control over budgets to contain current and future spending) and *activation* (through developing measures to decrease dependency on the state) (Taylor-Gooby 2002:601). Indeed Blair (2004:8) argues that through explicit contracts, regulation and inspection, and the publication of performance indicators, the accountability and standards of public service professions have been raised.

Consequently, national governments can, and do, play a major role in meta-governance according to Jessop (2000:23-24), who identifies the following ways this can take place:

- Provide groundrules and regulatory order;
- Ensure compatibility and or coherence of different governance regimes;
- Act as the primary organiser of the dialogue amongst policy communities;
- Shape cognitive expectations;
- Serve as the ‘court of appeal’ for governance issues;
- They can rebalance power differentials;
- Try to shape the interests of collective and individual actors to suit preferred strategies and tactics; and
- Assure political responsibility in the event of governance failure.

Jessop argues that a consequence of these factors is that networking and negotiating occur in the shadow of hierarchy. Other modes of co-ordination (markets, hierarchies and heterarchies) still exist but in the context of ‘negotiated decision making’ (Jessop

³⁶ This in turn is linked to the how the third order of governance – ‘metagovernance’ – Kooiman (2003) describes (and is discussed above) has shaped the first and second orders.

2000:24). This is an important development, and one not without its problems. Perri 6 et al (2002:95-99) argue that this ‘excessively hierarchical bias’ has led to:

- *Impatience* – the government wants “quick wins” but this can stifle integration because it takes time to build trust between agencies and develop the right strategies;
- *Initiativitis* – this can make a nonsense out of integration because the volume of special projects, discretionary funds and demands to produce plans can swamp local authorities; and
- *Fragmented holism* – in which conflicting policy priorities, priorities for different services and manifesto commitments often fail to produce integration.

The modernisation programme is closely linked to the third way as a programme of public sector reform (Newman 2001:52). In part it is a reaction against state provision through large scale bureaucracies, emphasising the retention of the mixed economy of service provision with a stronger emphasis on the importance and value of the ‘third sector’ (Newman 2001:52). In British governance command bureaucracy remains a major way of delivering public services, but it does so alongside privatisation, purchaser-provider splits and management techniques from the private sector (Bevir & Rhodes 2003:54). Newman argues that purchaser-provider splits have been ‘softened’ and that consumerism of choice remains but with less reliance on market mechanisms alone as the guarantor of choice, in contrast to the previous Conservative governments. Consequently, even relatively simple services are liable to display a mix of structures, strategies and relationships because the government’s policy is that services should be provided by the sector (public, private, voluntary) best placed to deliver it (Bevir & Rhodes 2003:57). Some examples of holistic governance under New Labour are Education, Health, and Employment Action Zones, which are created around particular geographical areas, in which large consortia of central and local public agencies, voluntary bodies and private companies are assembled (Perri 6 et al 2002:23).

In summary Labour has tried to distance itself from the outright assault on public services which took place under the previous Conservative administrations (Newman 2001:52).

However, the success of this has been limited by a relatively uncritical acceptance of the global context that shaped many of these reforms. Nevertheless, the modernisation programme has been strongly oriented towards the delivery of policy agendas in health, education and social welfare and there has also been an emphasis on involving citizens and communities in decision-making at the local level (Newman 2001). However, a key factor in delivering policy agendas has been the continued shift towards governance solutions, which are increasingly seen to be the only way (in the UK) to respond to the pressures of a more open system, whilst delivering social improvements. The consequences of this on local government are quite profound and are explored in the next section.

3.5) The Local Level

This section will explore the notion of a system of local governance and the various governance arrangements and interactions at play here. The second part of this section is concerned with how local government fits into this emerging context.

3.5.1) Local Governance

Batty and Hilton (2003:164) consider local governance as, ‘the organisation of local public life by a range of community led bodies, led by elected local authorities.’ Whilst Bovaird and Loffler (2002:16) define, ‘local governance as: the set of formal and informal rules, structures and processes which determine the ways in which individuals and organisations can exercise power over the decisions (by other stakeholders) which affect their welfare at local levels.’

The shift to talking about local *governance* rather than local government, can partially be attributed to the new challenges facing local communities. Bovaird and Loffler (2002:11) usefully highlight some key challenges at the start of the twenty-first century:

- Political pressure from unresolved problems, like crime and economic deprivation;
- The use of ICT for local service planning and delivery, and dealing with local problems generally;

- Greater pressure from the media as more sophisticated local stakeholders;
- Increasing globalisation – localities become important economic players, whilst being exposed to the volatile global economy; and
- The development of a more differentiated civil society.

Boivaird and Loffler (2002:11) move on to highlight the implications this has on local authorities:

- The need for collaboration with other agencies on policy making/implementation;
- Stronger engagement of all partners in issues of local strategy, planning and resource management;
- More intensive and widely spread knowledge management across the local networks; and
- Sustainability.

Clearly there has been a shift to governance here, as the challenges outlined by Boivaird and Loffler (2002) reflect the complexity, dynamics and diversity that are key features of governance. The effect of this has meant that, according to Rhodes (1997:122), ‘local government’s position as the pre-eminent governmental institution beyond Whitehall was challenged by the Conservative government, which by-passed local authorities for other departments.’ Rhodes argues that the importance of this shift should not be underestimated, as few policy areas remain the domain of a single agency. The Conservative policies of by-passing local government for special purpose bodies, increasing competition and responsiveness to consumers had the effect of consolidating the trend towards local governance (Rhodes 1997:130).

Prior to these developments (between the mid-1940s to early 1980s) local authorities had considerable functional sovereignty. Skelcher (2003:7) argues that, ‘despite fluctuations in the exact duties of local authorities in this period, councils bore the responsibility for a substantial package of welfare state services – e.g. education, social welfare, housing – as well as the regulatory functions and community services associated with a civilised society – e.g. town planning, libraries, leisure facilities and consumer protection.’ However, John

(1997:266) maintains that during the 1980s, 'there appeared to be the common themes of reducing local authority discretion, creating new unelected quangos, introducing institutional and financial incentives for consumer-driven quasi-markets, increasing national legal regulation and enshrining the role of the private sector in public provision.' The ESRC study into the *Local Governance Programme* between 1992 and 1997 found that network based patterns of interaction were becoming increasingly important – local government was becoming a system of governance, involving a plurality of organisations across public, private and voluntary sectors (Rhodes 1999). According to Skelcher (2003) the process of 'agentification' has challenged the functional sovereignty of local authorities. The term agentification is used by Pollitt et al (2001) to describe the process of creating special purpose bodies at arms length to centres of elected political authority, with a remit to make and manage public policy in a specified policy sector (Skelcher 2003:7).

Jones and Stewart (2002:16) argue that there was nothing remarkable in the removal of local government functions between 1979 and 1997, because the nature of local government has frequently changed. What they regard as distinctive was giving these functions to appointed bodies at a local level, which showed a lack of trust in elected local authorities. This has created new tiers of local governance, complicating further the notion of where responsibility lies.

Clearly these new tiers of local governance have a profound impact on the governing arrangements of localities, which needs to be explored further. According to John and Cole (2000) the centre has restructured local political systems, by creating new layers of the bureaucratic state and quangos, to deal with new policy challenges. According to Charter 88 these are 'unelected bodies spending public money' and the House of Commons Public Administration Select Committee has estimated that there are over 5000 of these bodies (Wilson & Game 2002:135). Wilson and Game state they are all public bodies appointed directly or indirectly by central government, performing functions and providing services that were provided mainly by local authorities. They greatly increase the complexity of sub-central government and give increased influence to their sponsoring departments at local level (Wilson & Game 2002:134). This increased complexity in sub-central

government has then been driven from the centre ³⁷ and has a direct link to the need for a ‘governing’ response at the local level – of which the creation of local partnerships is a central strand. The insertion of partnerships into the more general state system involve different modes of coordination, access to institutional support and material resources (Jessop 2000:19).

Quangos can perform important functions effectively, bringing expertise and experience into government (Wilson & Game 2002:137). More generally John and Cole argue that there have been some improvements in decision-making under these conditions of governance. However, the character of governance challenges local accountability arrangements and undermines the existing patterns of chain and command, creating a more informal form of governing in which the patterns of democratic control are less easy to identify (John & Cole 2000:87). The issue of accountability becomes more important as the interests of other bodies, both public and private (but not directly accountable) are introduced into the local governance agenda. This is not to say that these bodies do not reflect the views of some local citizens and stakeholders. However, in terms of direct public accountability local authorities remain the pre-eminent body fulfilling this function in localities, but the responsibility for accountability is not coterminous with functional responsibility over services. The scrutiny function is the key mechanism local authorities have for holding the governance arrangements of localities to account, but as is argued throughout this thesis, there are serious concerns over its powers and capacity to fulfil such a complex and far reaching role.

The complexity of local governance may be deepening, but it is not a new phenomenon as Rhodes (1997:133-134) surmises that, ‘the history of local government is compounded of multiple contradictions – economic, political and organisational. Monocausal explanations are inadequate. Policy-making for local government has generated a policy mess because of the failure to appreciate that disaggregation, differentiation, interdependence and policy networks are characteristics of the British polity.’ This was Rhodes’ conclusion to the state of local governance in 1997. New Labour has at the very least tacitly acknowledged the emergence of local governance, through initiatives such as the new powers of well-being

³⁷ The centre in turn is influenced by broader trends in global politics and economics.

and the community leadership role, the creation of LSPs, and scrutiny itself. However it remains to be seen whether these measures are sufficiently empowered to come to terms with the continually developing governance context Rhodes is describing. Indeed this is compounded further by what Painter and Goodwin (2000:52) highlight as a deficit in local regulatory capacity that arises from an inability to cope with social and economic problems of 'uneven development'.

Since the Labour government came to power local public spending bodies or quasi-public bodies like regeneration and other partnerships, education zones, health and care trusts have all emerged (Wilson and Game 2002:137). Skelcher (2003) thinks that Ministers do not realise the problems and complexities they are creating at a local level. They are draining away the powers and functions of elected local government, whilst complicating its ability to co-ordinate the delivery of public services locally. Wilson and Game (2002:138) argue this has led to a 'fusion' of different styles and working relationships, 'local governance brings together governmental and non-governmental agencies in flexible partnerships to deal with different problems by using different strategies.' In local governance there is, according to Wilson and Game (2002:142), a, 'myriad of overlapping schemes, all attracting funding on different bases, with different monitoring and regulation regimes, and with different partners involved in each scheme.' A key factor in the development of these schemes is New Labour's preoccupation with delivery in a more open system, which was discussed in the previous section. Wilson and Game question the possibility of managing and co-ordinating these convoluted inter-agency working relationships. The government would argue that through community strategies and best value performance plans, outward looking local authorities keen to develop their community leadership roles are able to do this. In this respect councils are still important but as mobilisers of collaborative efforts rather than the primary focus of public policy; the modernisation they have been through is about aligning them with this wider transformation project (Skelcher 2003:4).

Davies (2002:312) argues that if New Labour is serious about generating bottom-up partnerships and unlocking local initiative then it needs to roll-back Whitehall's influence on local political processes and reconstitute partnership in a way that will encourage 'collaborative synergy'. Furthermore too much control on local government finances

inhibits the vital (deliberative) nature of localities. Local politics is generally becoming increasingly dominated by hierarchies, and new participatory strategies have not given local citizens more control over local politics, because they are constrained by hierarchical tendencies, and non-state actors do not have sufficient leverage to make a difference (Davies 2002:312). According to Newman (2001:124), 'Labour has represented a qualitatively different approach – an explicit use of partnership as a way of governing – this has been cross-cut by the continuance of forms of governance based on hierarchy and markets. The new paradigm has run alongside the old, rather than displacing it.' The effect that this has had on the limits and possibilities of local government scrutiny is a key consideration of this thesis, which is explored further through the scrutiny case studies and discussion chapters.

3.5.2) Local Government in Local Governance

Having discussed New Labour's approach to the changing nature of central government in the context of governance in section 3.4, it is now time to discuss the role of local government in the emerging context of local governance. Stewart (2003:245) stresses that effective local government is important in the government of a complex and changing society, and that it has a value in its own right but also in the whole system. An important factor here is the capacity of local government in this system, which is characterised to a large extent by the hierarchical nature of the governance context I am describing.

The post war expansion of local government could be interpreted as 'administration by convenience' to contain the expanding costs of welfare provision (John 1997:254). Consequently, according to John, public intervention in Britain never became institutionalised to the same extent as it did in some other advanced democracies, and the weakness of local government and its leaders meant local political power was not embedded in the British constitution. The implication of this is, as local government's role has been transferred to other bodies, local authorities have become willing to engage in reciprocal horizontal arrangements with other bodies (John 1997:255). Operating under the conditions of governance highlighted in the previous section, public-private coalitions mobilise resources and achieve more than would be the case if they operated alone. As

policy-makers realise how difficult it is to 'run' a locality, they attempt to include those decision-makers whose actions affect the success of public policy (John & Cole 2000:83). However Rhodes (1997:16) argues that the 1979 Conservative government's determination to control individual local authorities, but lack of means to impose these policies, created a 'policy mess' as local government's 'responsibility ethic' was eroded. Rhodes argument here suggests that the lack of trust in local government to deliver central objectives disempowered local authorities, whilst in some cases they 'rebelled' against the centre. Combined with the increasing diversity of governance at a local level, it can be argued that local government was (is) operating in a governance framework, but without the instruments to govern effectively in this broader context.

The importance of local government in local governance should not be underestimated. John and Cole (2000:77) argue that only councils can pull together partnerships and mobilise local economic decision makers, 'the council has the legitimacy, the long-term staying power, the finance, and, above all, the professional officer cadre to shape initiatives in each policy sector.' John and Cole (2000:78) state, 'local government is able to use its control over many functions and its long entrenched position in localities to maintain its dominance.' But whilst local government remains important the very onset of local governance implies a loss control for local government. The arena in which local government operates is itself changing. Local authorities are responding to this loss of control by actively working with partners and taking forward the idea of 'community governance'; they have (paradoxically) had to become more proactive in the face of declining responsibility, and financial and legislative constraint (Wilson and Game 2002:140).

The chapter of this thesis on the modernising local government agenda has outlined the new powers of well-being and community leadership for local authorities under the New Labour government. The *powers* of well-being and the *duty* of community planning have strengthened local government and its capacity to recognise diversity and to develop initiatives (Stewart 2003:245). However Stewart moves on to argue that because the powers of well-being are based on existing powers, which encourage existing activities and thinking, the use of these powers is not as effective as it should be. In addition Stewart

(2003:14) has highlighted that the system of government (locally) is fragmented because it is highly differentiated and lacks the requisite capacity for integration. The duty of community leadership on local authorities should (in theory) enable the necessary integration, which in turn will enable a more coherent response to so called 'wicked issues' across the fragmented structure of community governance at the local level (Stewart 2003:13-14). The success of this role will be explored further in the next chapter and throughout the case studies.

Against these developments that are designed to encourage more outward looking and responsive local authorities in a governance context, the Labour government has also pursued a principle of selectivity in its relations with local authorities – distinguishing between how it treats authorities according to judgements on their performance, or how they have modernised themselves (Stewart 2003:205). Blair (1998:22) highlights the importance of local authorities working to the Government's agenda, 'if you are unwilling or unable to work to the modern agenda then the government will have to look to other partners to take on your role.' This serves to highlight that under the wider processes of governance central government has a powerful bargaining tool for directing local authorities to comply with a relatively narrow modernisation agenda, because if they don't there are (now) plenty of agencies or organisations who can fulfil the role and functions of local government. Put more simply the onset of governance creates an environment in which the notion of selectivity can flourish.

Added to the uncertainty local authorities face in pursuing their own agendas, the Secretary of State can now direct:

- That a specified function of the authority shall be exercised by the Secretary of State or a person nominated by him for a period specified in the direction or for so long as the Secretary of State considers appropriate; and
- That the authority shall comply with any instruction of the Secretary of State or his nominee in relation to the exercise of that function and shall provide such assistance as the Secretary of State or his nominee may require for the purpose of exercising the function. (Local Government Act 1999:s.15.6)

This is a general power for intervention that is increasingly used or threatened to be used (Stewart 2003:207). According to Stewart the effect of the threat of use of this power is much the same as it actually being used because authorities tend to accept central government's proposals for action once this threat is issued. The notion of selectivity is not unproblematic. This is because the government relies on the judgement of inspectors and assessors, rather than judgements made from within the authority and from the local electors as the key determinants of outcomes (Stewart 2003:209). Stewart argues that the government assumes that interventions will be effective, but these are based on a situation which is imperfectly understood, due to central government being geographically and organisationally remote from the authorities it is intervening in. This leads Stewart (2003:214) to conclude that, 'there is a critical lack of clarity about the whole inspection system, and yet it is directed at institutions with a clear basis of accountability.' It is also argued that the benchmarking system that emerges from the inspection regime is also inappropriate for the system of local governance. Bovaird and Loffler (2002:15) argue, 'the fundamental problem with benchmarking models is that they only assess dimensions which an organisation can directly control. However, as the borders between public, private and voluntary sectors become increasingly blurred, responsibilities also become increasingly shared between local stakeholders.' Consequently, local government is increasingly controlled by the centre, through a system of selectivity unsympathetic to the conditions of local governance, furthermore, this is compounded by the parallel process of local authorities adjusting to the complex role of governing in a system of governance.

Despite the 'general competence' provision of the Local Government Act 2000 (see chapter two), the government has not relaxed its financial grip on local authorities (Wilson 2001:302). According to Wilson although the Local Government Act 1999 abolished crude and universal capping of local authorities, there is now a set of reserve powers enabling ministers to limit what they decide are excessive annual tax increases. This leads Wilson (2001:302) to conclude, 'central government retains the power to intervene in specific local authorities on terms which it determines.' This introduces an element of uncertainty to the governance arrangements from a local authorities' perspective, and creates a shaky foundation from which authorities govern localities. Furthermore the excessive grant

dependence of local authorities weakens local accountability because changes in expenditure level do not match changes in local taxation (Stewart 2003:251).

Aside from mainstream funding through the Standard Spending Assessments (SSAs)³⁸, central government allocates funds to local authorities and their partners through 32 different kinds of area based initiatives (Stewart 2003:215). Each initiative has its own rationale, which becomes problematic given the cumulative effect of these initiatives through the complexity they create. Concerns arising from this are the waste of local capacity through lack of co-ordination; area based initiatives and mainstream programmes do not complement each other; the focus is on short-term³⁹ outputs rather than long-term outcomes; and it is unclear who in central government is in the best position to tackle complex social problems (PIU 2000:31). Another concern highlighted by Stewart regarding these initiatives is that parts of local authority's budgets are effectively ring-fenced through the requirements to match funding for these initiatives. Of course local authorities do not have to bid for these, but it is unlikely that they will choose not to because financial resources are rarely refused, especially in times of financial constraint, although local authorities might choose to use this money differently if given the chance (Stewart 2003: 217). Furthermore Stewart indicates that there are at least 66 plans required by central government from local authorities. Stewart (2003:218) contends that, 'as with area based initiatives, each new plan was considered on its own merits without regard to the overall impact on authorities of the numbers of plans required.' Although community strategies are a key, and statutory, plan geared towards rationalising this that will be examined further in the next chapter. Nevertheless a complex and confusing picture of local governance is emerging here, and it is very much supported by my practical experience working as a scrutiny support officer. The separate plans encourage a fragmentation of local authorities' planning procedures, and the lack of joined-up government at the centre decreases the likelihood of it at a local level (Stewart 2003:218).

Stewart (2003:221) identifies a general problem with the government's approach to local government; 'there has been little understanding of the problems of managing with and

³⁸ Which is based on the government's calculation of a Council's relative need for expenditure based on a set formula.

³⁹ Although programmes like NDC are notable exceptions to this, lasting for ten years.

through other organisations and in particular the management of change in an inter-organisational setting.’ The lack of understanding of the workings of central-local relations is a weakness of central government, and is reflected in the dominance of command and control in its approach to governing (Stewart 2003:224). Goss (2001:5) argues that there is a growing sense of muddle due to the unintended consequences of reforms, and the government’s preoccupation with control is inappropriate in such a complex field. Furthermore while the agencies of local public policy become more highly differentiated and multi-layered, local democratic politics still revolve around the elected council (Skelcher 2003:4). Consequently, Skelcher (Ibid) argues that, ‘elections are held for councillors who have only the lightest touch over significant areas of local public policy and the public accountability processes of quangos and partnerships are poorly developed. The institutions of local politics are embedded, but only in relation to a declining proportion of the local public policy arena.’

According to Rhodes (1997:8), ‘local government is neither dependent on, nor independent of, the centre. The two levels of government are interdependent embedded in various relationships with fluctuating local discretion.’ John and Cole (2000) argue that despite extensive central government reform of local government in the 1980s, local government remains as the funder and main policy-maker for most of the services it did in the 1970s. Even if contracting out removes the direct provision of services, local government still provides funds, sets targets, reviews performance and determines the policy framework for these services (John and Cole 2000:76). There is no doubt that the centre relies on local government as a mechanism for service delivery, but it does so to a lesser extent than it once did. Nevertheless, the development of local governance has the potential to be a significant mechanism for the management of uneven development. But as Painter and Goodwin (2000:43) argue uneven local development is expressed at a local level, but its causes, at least in part, lie elsewhere. It is possible to tailor a welfare system to local circumstances but, ‘at best, it can only influence the local half of the (unequal) relationship between global flows and local conditions.’ (Painter & Goodwin 2000:43) The relationships between national, regional and local actors are important but there is a broader context shaping these relationships, which influences local conditions and defines the boundaries of action.

Indeed Bevir and Rhodes (2003:56) argue that (as a response to the broader global context) New Labour has reinterpreted concerns highlighted by the New Right through emphasising that economic recovery would bring unacceptable inflation unless it took place within macro-economic stability and supply-side policies to boost industry, by increasingly opting for a more positive view of markets. Accordingly the process of agentification started under the Tories has continued under the New Labour governments (Skelcher 2003:5). However Skelcher argues that more importantly than the agentification process, the political sovereignty of the local authority has been challenged through the inclusive participation strategies of multi-sectoral partnerships. The local quangos involved in these partnerships demonstrate a significant shortfall in formal local public accountability and transparency standards in comparison with those expected of local authorities⁴⁰ (Skelcher 2003:10). This is a key factor in the role of scrutiny in local governance. This is because the shortfall in formal democratic accountability places the onus on scrutiny to fulfil this role, but the complexity and ‘muddle’ in governance arrangements (described above) makes it a difficult task for scrutiny to hold these external bodies to account.

3.6) Conclusions

Global forces have constrained the discretion and autonomy of both local and central government, but there is scope for choices to be made. A good example of this is through the forms of welfare state that ‘developed’ countries have chosen to pursue. Nevertheless, there is a general trend towards governance, a feature of which is the greater plurality of delivering agencies, and there is correspondingly less direct control over delivery by local government. In addition New Labour has been willing to intervene in and direct local authorities as a continuation of, and, in some areas, an intensification of the previous Conservative government’s policies towards local government.

I would like to return to Kooiman’s (2003) ‘three orders of governance’, which can usefully be applied to the governance context I have been describing, and use this framework from the top-down. The third order relates to metagovernance and the framework that directs

⁴⁰ Although it should be noted they are performance managed by government offices/departments.

and sets boundaries for governing in the first and second orders. It is argued here that a potentially enabling and constraining metagovernance context emerges dependent on national governments' reactions to the global trends described earlier in this chapter. There are links, here, to Weiss' (2003) notion of changes to governing approaches resulting from globalisation, without this necessarily leading to generalised convergence in governance. Nevertheless, this context has encouraged the onset of governance as more public, private and voluntary actors are involved in service delivery. The extent to which this is an enabling or constraining context is dependent on the potential for governed interdependencies to emerge across these arrangements and achieve outcomes. In turn, this is linked to action in the first and second orders of governance.

The second order of governance is concerned with the 'care of and maintenance of' institutions emerging from the meta-governance framework. Changes to the functional sovereignty of councils through such processes as agentification generate significant challenges for local authorities. The local government modernisation agenda has in part recognised the changing role for local authorities and provides new tools for the maintenance of local institutions. The community leadership role and well-being powers, in particular, provide an outlet for councils to engage with partners in the governance system. The first order of governance is concerned with governing actors trying to tackle problems or create opportunities on a day-to-day basis. The role of scrutiny in the governance system can be closely related to this. However, other governance actors (often without mutually reinforcing responsibilities) are attempting to develop their own problem solving / opportunity creating strategies, which can undermine the potential for generating governed interdependencies. As has been outlined here there are many layers of horizontal and vertical interactions in these orders of governance. Consequently, the concept of partnerships and partnership working are fundamental to developing effective governance arrangements and this is the subject of the next chapter.

4) Partnerships and the Local Governance Context

4.1) Introduction

The previous chapter has drawn attention to the increasing complexity and fragmentation of governance, its consequences for governability, and the practical implications of these on the role and actions of local authorities. In the UK, theories of governance have tended to focus on the fragmenting effects of New Public Management and the emergence of 'new' modes of governance (Newman 2001:15). It is in this context that Newman (2001:15) argues, 'the tasks of steering, managing, controlling or guiding are no longer the preserve of government but are carried out through a wide range of agencies in the public, private and voluntary sectors, acting in conjunction or combination with each other.' Partnerships have become a key governance mechanism. Indeed, David Miliband⁴¹ and Phil Woolas⁴² assert in the forward to the ODPM's (2005a) consultation paper on, *Local Strategic Partnerships: Shaping their future*, that, 'local services are increasingly being delivered in partnership – with local authorities working with other public sector agencies, businesses, and the voluntary and community sectors. Local Strategic Partnerships are the vehicle for this way of working.'

This chapter will explore the role of partnerships as they have grown in importance as a governance mechanism and the impact this has had on local political decision making. Furthermore, the core research problematic of the limits and possibilities of local government scrutiny in governance draws attention to the role of LSPs as the key formal partnership mechanism in localities and the connections between these and local authorities. I will then outline the governance framework in Hartlepool as an introduction to the case study locality. This will be followed by an examination of scrutiny in relation to the notion of local governance and an introduction to some key criteria for successful scrutiny within the broader governance context. More detailed examination of the governance of a locality (and the role of local government in this) will be examined through a discussion of scrutiny 'exemplars' (case studies) in the following chapter.

⁴¹ Minister of Communities and Local Government.

⁴² Minister for Local Government.

4.2) Partnerships

The emergence of governance implies increased complexity, larger numbers of actors involved in governing and delivering services, and the potential for significantly greater fragmentation in governing structures, processes and outcomes. On coming to power New Labour were faced with this challenge, the challenge of governing in governance. Perri 6 et al (2002:40-41) identify five benign factors whose unintended consequences have fostered and institutionalised fragmentation:

1. 'Greater ease of management and expenditure control on inputs' – at the expense of focusing on the difference being made to reduce substantive social problems.
2. 'Accountability for Probity' – linked to the first factor in that systems of audit and scrutiny have been put in place around measures of inputs, rather than around the problems or outcomes.
3. 'Consumer-oriented government' – consumers of services are more likely to demand vertical and functional integration of services rather than horizontal integration of services.
4. 'Strategic decisions for functional organisation' – over time the civil service and local authorities have been organised on functional grounds, with the consequence of fragmented governance.
5. 'Democratic pressures for visible commitments to services in input or throughput terms' – similar to the third factor in the support of citizens for increasing effort and funding into functions rather than management co-ordination.

Furthermore, Perri 6 et al (2002:42-43) identify three self-interested forces that are also leading to fragmentation in governing systems:

1. 'Politicians attempt to seize more control over the executive and administration' – this factor centres on the short-termist, divide and rule strategy adopted by politicians to gain greater control, but at the expense of focusing on problem solving and 'technically sound public policy'.

2. 'Professional capture, professional monopolies' – public professions that foster fragmentation to secure autonomy over decision-making in their sphere, cannot be overestimated.
3. 'Managerial maximisation of span of control' – in which functional organisation suits senior civil servants in creating a range of empires over which they preside.

Against this background of fragmentation in governing systems partnerships have an important role to play in generating governance responses to the challenges these poses to local governance actors. In short the appropriate unit for analysis has become more problematic in the light of broader changes to local governance (Painter et al 2003:31). Locally the reconfiguration of public service delivery structures, through the transfers of powers and functions to other agencies, has brought about changing resource dependencies in local governance (Painter et al 2003:35). This has implications for the ways in which local authorities work in terms of having to form partnerships with these other agencies, and also internally as a response to new ways of working.

Local authorities had been pressing for some time for a more strategic form of management, more involvement with the community, and to not become exclusively locked into a service provision role (Painter et al 2003:35). Painter et al argue that this was as a reaction to central government restricting their funding and the fragmentation of the local state. Pearson (2001:58) identifies the Community Development Projects and Urban Programme of the 1960s & 70s as the beginnings of partnership working for local government. The Conservative governments of 1979 to 1997 introduced quangos, made changes to local government finance and developed common performance measures (Sullivan 2003:358). As services delivered by local authorities have become increasingly fragmented over the years, and as markets have been introduced into them, the need for partnerships has become increasingly apparent. Indeed, according to Jupp (2000) the word 'partnership' was used 6,197 times in parliament during 1999 compared to 38 times ten years earlier. It is often argued, therefore, (for example Knight et al 2001; Greig and Poxton 2001) that the pressure to join together and collaborate is overwhelming; partnership is no longer an option it is a requirement.



Skelcher (2003:11-12) argues that the partnership agenda has its roots in the ideology of New Labour and its association with a third way, stakeholder vision. In this respect Newman (2001) believes that partnerships can provide means of inclusion and collective vision through an epistemic community of citizens, public and private actors. Indeed, Balloch and Taylor (2001:1) argue that superficially at least partnerships make a lot of sense, 'it is a rational response to divisions within and between government departments and local authorities, within and between professions, and between those who deliver services and those who use them.' A consequence of this is that in addition to the micro-organisation of local authorities we must also look at how local authorities are responding to interactions with other actors, in more complex inter-organisational (and multi-governance) relationships (Painter et al 2003:31).

Pollitt (2003) argues that there are now a huge variety of partnerships across central government and local government: public-private; public-voluntary; public-private-voluntary; or public-public. Consequently, this means that to call something a 'partnership' tells you very little, we need to know more about members, their goals, resources and rules of procedure (Pollitt 2003:61). However, precisely because, as Balloch and Taylor (2001:2) suggest, partnership as a term commands widespread support it is important to understand the expectations and assumptions underlying it. Partnerships appear to be more legitimate than hierarchical bureaucratic relationships because they appear to be based on more horizontal and equal relationships, but questions remain over the potential for one or two members to dominate them (Pollitt 2003:63). However, despite appearances, partnerships may not produce or facilitate more effective leadership. Skelcher (2003:14-15) argues that the use of partnerships as a central policy instrument maintained the challenge to the functional sovereignty of local authorities⁴³ and more importantly undermined their political authority as the democratic voice of the community. Partnerships construct a new polity – a new political community whose normative, inclusive and ambiguous attributes promote the emergence of a discursive coalition that engages a range of interests within an overarching project (Skelcher 2003:15).

⁴³ See the previous chapter for the effects of 'agentification' on local authorities' functional sovereignty.

There is a danger that if partnerships are seen uncritically as a 'good thing' without counting the cost of time and effort around partnership working, there may be little consideration of the cumulative effect of creating partnerships, which can lead to 'partnership overload/fatigue' (Stewart 2003:172). Painter et al (2003) argue that local government has been moving towards greater joint working over the years, and partnership can now be regarded as an embedded concept. However, there are concerns over the capacity of private, voluntary and community sectors to respond to growing numbers of partnerships because of the sheer numbers of them (Painter et al 2003:48). Balloch and Taylor (2001) identify three areas of concern with partnerships. Firstly, politically they can be dominated by the most powerful partners, and not deliver for communities and service users – imbalance in resources is key here. Secondly, public service cultures need to be transformed for agencies to work effectively with each other. Thirdly, partnerships represent major technical, managerial and structural challenges (Balloch and Taylor 2001:8-9). For partnerships to succeed they are dependent on the capacity and willingness of agencies to make them work.

Stewart (2003:172) argues that, 'at their best, partnerships can be a means of sharing responsibility, but at their worst they are a means of avoiding responsibility.' Under New Labour the advance of partnerships is threatening to make them victims of their own success, with the proliferation of partnerships and the pace of change stretching agencies, service users and communities to their limits (Balloch & Taylor 2001:4). The government's intention is that LSPs will rationalise this. Nevertheless as partnerships have grown in number, community governance has become more complex, and for the public, partnerships can be invisible or barely visible (Stewart 2003:172). Scrutiny should, and more importantly can, play an important role in increasing the visibility of local partnerships.

Newman (2001:117) argues that the discourse of partnership speaks of equality, shared values and high trust creating an illusory unity, which masks fundamental differences in power. As Stewart (2003) points out the government guidelines make no reference to power or the possibility of conflict. Newman (2001) argues that, whilst in principle the aim has been to devolve down to the regions and local government, in practice the centre has

retained tight control, which undermines the flexibility joint action requires. This could have a negative 'knock-on' effect on partnerships, as the various interest groups become unwilling to make concessions, following central government's example. There is a tension between 'joined-up' government and more directive hierarchical forms of governance, and the former must show it can deliver more than the latter (Newman 2001:111). As Davies (2002:315) points out, 'partnerships may be as much about bringing other groups into co-operation with the state as they are about bringing local authorities into partnership with other "stakeholders" and creating networks.' The state may be relinquishing direct control of some functions, but Davies argues persuasively that in doing so it is trying to 'purchase wider effective control', creating a new governance capacity in the locality. Furthermore, Skelcher (2003:17) asserts that the political authority of 'the council' has been challenged through partnerships, but only to limited extent and in certain circumstances, given the norm of partnerships developing as weak (consultative) rather than strong (authoritative) polities.

John and Cole (2000:86) argue that the fragmentation of local political systems and service delivery does not remove the importance of political decision-making. They state that there needs to be a political mechanism to bring together the fragmented institutions and private actors, and this should be led by elected leaders. Partnerships have been present in localities for some time but generally there has been little communication or co-ordination between them, consequently there is a need for a corporate approach, working towards the same outcomes, minimising duplications and contradictions in a locality (Pollitt 2003:58). However John and Cole (2000:86) question whether, 'leaders have enough powers, legitimacy, capacity and personal qualities to carry out the difficult job of managing complexity?' So whilst the Labour government has articulated a strategy for retaining and modernising local government, it is in a more circumscribed service planning, delivery and enabling environment, it is within this uncertain environment that LSPs are beginning to develop (Johnson & Osborne 2003:150).

Pollitt (2003:61) argues that academic research does not indicate partnership forms regularly produce performance gains, and therefore we mustn't assume that they usually work. Indeed Jessop (2000:30) goes as far as to argue that, 'markets, states and governance

all fail,' and, 'given the growing structural complexity and opacity of the social world failure is the most likely outcome of most attempts to govern it.' It is as a response to this structural complexity that partnerships have emerged as an attempt to manage this, but paradoxically they often add to the complexity. Jessop states that by emphasising the improbability of success, it counters the rhetoric of partnership where success is emphasised and failure is seen as exceptional. Nevertheless, partnerships have emerged as a prominent response to governance challenges in localities. The following section will explore the development of LSPs as the key formal partnership in localities.

4.3) Local Strategic Partnerships

An LSP is a single body that brings together the different parts of the public sector as well as the private, business, community and voluntary sectors at the local level to ensure different initiatives, programmes and services support each other (DETR 2001:10). DETR⁴⁴ guidance stated that they are non-statutory and non-executive bodies that should be aligned with local authority boundaries. LSPs may not be entirely new bodies, many are adaptations of existing partnerships that are creating meta-governance frameworks for partnership co-ordination (Painter et al 2003:40). However, the overarching role of LSPs is new and can be interpreted as a response (by central government) to the emerging local governance context described in the previous chapter. Consequently, it is possible to argue that, LSPs should play a key role in the limits and possibilities of local government scrutiny in governance. This section will explore the role of LSPs in the governance context, and the role of local authorities and community strategies in relation to LSPs. The function of LSPs is then analysed more critically, with a particular focus on their accountability in the governance system.

The idea of LSPs came about as a result of the work of the Social Exclusion Unit (SEU), and the work of the 'Joining it up locally' Policy Action Team, more specifically (DETR 2000). LSPs and community strategies were both introduced by the Local Government Act 2000. Those areas in receipt of NRF are required to have an LSP but outside those areas, LSPs are entirely voluntary, although there are now over 360 LSPs in England, which

⁴⁴ Now incorporated into the ODPM.

would suggest that most localities have ‘signed up’ to them (ODPM 2005a:9). Local authorities are responsible for initiating LSPs, but it is the decision of the members, once it is up and running, who should lead it. The aim of LSPs can be summarised as increasing co-ordination, while allowing decentralization and inclusiveness – with a particular emphasis on gaining the commitment of the community themselves (Johnson & Osborne 2003:149). The success of LSPs will be dependent on the ability to use mainstream funding more effectively and in a co-ordinated way (Quest 2002:14). The Quest Network (2002) argues that LSPs demand a change in culture so that all partners are involved in decisions over funding, which is essential for the community and voluntary sectors to become equal partners.

The membership of LSPs ‘will depend on local circumstances’ and must include members of all sectors and reflect the breadth of issues which fall within its scope (DETR 2001:12). LSPs have several roles, including acting as a forum for all mainstream service agencies, together with the business, community and voluntary sectors; aiding local authorities to design community strategies; working towards greater co-ordination of plans, partnerships and initiatives; and, rationalizing the proliferation of partnerships that have emerged under New Labour (Johnson & Osborne 2003:147). Indeed the ODPM (2005a:8) asserts that LSPs are working in an increasingly complex and challenging environment with important expectations being placed on them, and this has increased the need to ensure that LSPs are working effectively and accountably.

Through the LSP key stakeholders come together and engage with the council on broader cross-cutting issues, and the community strategy is the statement of the council’s and key partner’s intentions for the future of the area (Leach et al. 2003:72). According to the government’s guidance (DETR 2001:22) community strategies will provide an integrated approach to the sustainable economic, social and physical development of cities, towns and rural area; and a clear strategy and vision for the future. The statutory duty for preparing community strategies rests with local authorities (DETR 2001:22). Community strategies must also produce a long-term vision and short-term action plan focusing on outcomes to be achieved. This must be a shared commitment from partners. Consequently, LSPs need to deliver the necessary culture of partnership working to be successful.

Balloch and Taylor (2001:8) believe that, ‘the formation of LSPs with a responsibility for developing community strategies could provide the impetus to transform mainstream spending, and to bring together under one roof many of the more specific partnerships that have developed at a local level.’ However, Stewart (2003) identifies a number of potential barriers to the development of community strategies. Stewart (2003:21-31) argues that:

- Local authorities need to extend their thinking if the new powers of well-being are to be fully used, and moving beyond existing activities is central to this.
- Whilst it is a statutory responsibility for local authorities to prepare community strategies, there is not a similar responsibility on partners to co-operate.
- It is also unclear how central government will respond to community strategies in the event of differing policies and priorities. Community strategies can provide the answer to joined-up government only if central government takes account of them.

From the government’s guidance ‘leverage’ appears to be one of the main tools at an LSP’s disposal, which in turn is based on the commitment of all partnership organisations (DETR 2001:12). To ensure that this works Stewart (2003:30-1) argues that, ‘there is a responsibility on central government, having willed the end, to ensure the means, by central departments making clear the importance of involvement in community planning to organisations and agencies within their remit.’ Painter et al (2003:40) raise the issue of the challenge facing local authorities in managing the interface between sub-local and corporate levels, in terms of linking the former to executive and scrutiny functions and with the strategic activities of LSPs. It could be argued that the success of local authorities’ community leadership role is strongly linked to the development of these governance arrangements. As Painter et al (2003:49) assert LSPs are embryonic institutions – whether they are the route to meta-governance or just another institutional layer remains to be seen. The scrutiny case studies will explore the extent to which local government scrutiny tests this hypothesis⁴⁵ and in the context of two years of scrutiny inquiries in the case study authority.

⁴⁵ Because theoretically, scrutiny has a role in exploring this, as is outlined elsewhere in the thesis.

A key concern about LSPs expressed by Johnson and Osborne (2003) is that the policy mechanisms for LSPs fail to support co-governance as strongly as the drivers for co-ordination. The implications of this are that services are more likely to be delivered in a mutually reinforcing way. However, a key issue arising here is on whose 'agenda' will these services be being delivered? Johnson and Osborne (2003:150) suggest that, 'there is a persuasive argument that the current Labour government's aims constitute a pre-set agenda that has the capacity to undermine the possibility for local solutions of a more individual and perhaps even creative nature.' The danger here is of an approach imposed top-down on LSPs and losing the variety and appropriateness of local solutions that a 'self-organising network' could attain (Ibid). As Stewart (2003:24) states, 'an effective LSP is not easily achieved. A variety of organisations with different interests and different degrees of commitment to the process have to be brought together.' Local authorities are facing issues of power, conflict and the difficulty of building partnerships, they have to be ready to work with the imperfect rather than the perfect (Stewart 2003:25).

Local authorities may not always do what the electorate wants, but they can be voted out. LSPs are not directly accountable to local people other than through councillors and the local voluntary and community groups that sit on them and through the accountability that scrutiny places on them. Consequently, it is argued that local authorities should be the leading players on LSPs as they have the democratic mandate and the obligation to exercise civic leadership (Quest 2002:13). Individual service providers on an LSP will remain responsible and accountable for decisions on their own services and the use of their own resources (SEU 2001:45). An LSP will be accountable to its partners because the success of the common goals will be dependent on its ability to help individual partners to achieve their goals. Nevertheless, there are concerns over the accountability of LSPs. For Wilson and Game (2002:144) accountability is diminished as appointed bodies are gaining powers at the expense of elected members, however, this is offset to a degree by the wider range of stakeholders involved in policy making and service delivery. However, Ashworth and Skelcher's (2005) *Evaluation of the Local Government Modernisation Agenda: Accountability*, identifies growing evidence that local authorities have been driving accountability on LSPs.

Sullivan (2003:363) argues that there are three lines of accountability for an LSP: vertical – upward to central government for meeting targets; vertical – downwards to local people to account for progress towards meeting private needs; and horizontally to partners to account for delivery of contributions to agreed outcomes. Davies (2002:313) argues that partnerships tend to reflect central political priorities, as the influence of the centre over the locality appears to be growing. This is reinforced by the somewhat worryingly short section on accountability in the government’s initial guidance on LSPs (DETR 2001:16), in which the government seems preoccupied with accountability to central government, ‘where an individual partner has goals primarily set by central government, the LSP should identify the appropriate contribution that other members of the partnership can make to achieve those goals.’ More recently the ODPM (2005a:36) has indicated that clear accountability requires; mutually understood and accepted ways of working, internal performance management to check progress, and external scrutiny.

The key to the accountability (and possibly the success) of LSPs is participation, indeed the government’s guidance suggests LSPs will only work if local people are able to influence what they do. The Quest Network (2002) suggests that local people can be intimidated sitting around a table with those in authority, which gives the voluntary sector an important representational role. However, Community Empowerment Networks alone, or similar umbrella organisations, representing residents on LSPs are not a satisfactory means of representation for residents, as representatives should be properly accountable and democratically elected (Quest 2002:18).

The publication of the ODPM’s (2005a) consultation paper on *LSPs: Shaping their future* has refocused the government’s agenda somewhat in relation to these bodies. According to the ODPM (2005a:9), ‘in the past, their (LSPs’) role was to develop a vision for their locality through their community strategy. This shared vision for the area remains an important part of their role but LSPs across the country are also increasingly becoming involved in delivery. A lot is expected of all LSPs, in particular, the development and implementation of LAAs.’ The ODPM (2005a:9) argues that LSPs should provide the governance framework for LAAs. Furthermore, the increased focus on delivery should be

combined with new *sustainable community strategies* and linked to a revitalised community leadership role for local authorities.

It is possible to conclude that LSPs have a central role in the governance arrangements of localities and that scrutiny has an important role in holding them to account. Indeed the ODPM (2005a) has indicated that external scrutiny has an important role to play here. The purpose of this thesis is not to assess the success of LSPs per se but to use the scrutiny ‘window’, provided through the case study approach, to assess the governance arrangements and accountability of key governance issues. Much of the discussion above suggests that LSPs will have an important role to play in these. The case studies⁴⁶ will explore how this has developed in practice.

4.4) Hartlepool’s Governance Framework

I will now turn to the example of Hartlepool’s local governance framework. Mapping what amounts to the ‘official’ or ‘explicit’ governance framework in this locality creates a basis for using case studies of scrutiny inquiries as a route into exploring the local governance landscape more fully in the following chapters. This section also serves to link the shift towards a form of governance through partnerships in localities, identified in the previous section, with a local response to the government’s agenda on local partnerships.

4.4.1) The Local Authority

Following the introduction of the Local Government Act 2000, Hartlepool opted for the elected mayor and cabinet option under the reform of political management structures. Hartlepool Borough Council’s (HBC) constitution⁴⁷ (2002 Part 3:28) states that, ‘the council’s executive, which is made up of the Mayor and councillors in the cabinet, has responsibility for all functions other than those categorised as “non-executive”.’ The executive works within the financial and policy framework agreed by the ‘full council’ and

⁴⁶ Which have been chosen because they have the closest relationship to governance out of all the scrutiny inquiries undertaken over a two year period.

⁴⁷ The 2002 version of the constitution has been used here because it is of more relevance to the scrutiny case studies than later versions of the constitution.

is responsible for taking decisions and issuing guidance on matters that have major financial, corporate or strategic implications. Portfolio holders have a range of responsibilities connected to the services, plans and functions within their portfolio. Each cabinet member is allocated a portfolio by the mayor (see tables 1 & 2 for an outline of each portfolio holder's responsibilities).

Table 1: Portfolio Holder Responsibilities part a (HBC Constitution 2002).

	The Mayor	Town Management Portfolio	Social and Health Care Portfolio
Policy Framework	Best value performance plan; Community strategy; Crime & disorder; and Youth justice plan.	Housing investment programme; and Food service plan.	Children's services plan; Community care plan; and Quality protects management action plan.
Other Plans & Strategies	Council community strategy plan; Hartlepool Drugs Action Team annual plan; Sport & recreation strategy; Youth service plan; and Racial equality scheme.	Empty homes strategy; Fuel poverty strategy; Waste management; Health & safety service plan; Trading standard service delivery plan; Shoreline management; Contaminated land plan; Voluntary sector compact; Play facilities strategy; Arts strategy; Local cultural strategy; Arts, museums & archaeology forward plan; Supporting people strategy.	Joint investment plan for Welfare to Work, Learning Disability, Older People; Mental Health – local implementation plan for National Service Framework; Annual training plan; and Health improvement plan.
Service Areas & Functions	Public relations; Emergency planning; LSP (Vice-Chair); Community safety; Crime, youth offending and drugs (prevention and enforcement); Sports & recreation; Youth service; and Equality.	Waste management; Horticulture; Town care; Environmental enforcement; Housing services (public & private); Asylum seekers; Environmental health; Trading standards; Archaeological service; Community development (& centres); Cultural services (Arts, Museums, & Events); Parks & countryside; Coastal protection; Cemeteries & crematorium; Rights of way; Allotments; and Open market.	Commissioning of statutory and discretionary social care services for vulnerable children and adults, i.e:- <ul style="list-style-type: none"> • older people; • people with mental health problems; • people with learning disabilities; • people with physical disabilities; • people with sensory loss; and • vulnerable children and their families. Directly provided social care services.

Table 2: Portfolio Holder Responsibilities, part b (HBC Constitution 2002)

	Lifelong Learning & Skills Portfolio	Regeneration & the Economy Portfolio	Resources & Performance Management Portfolio
Policy Framework	Educational development plan; Early years plan; Adult learning plan; and Library plan.	Development plan; Local transport plan; and Local agenda 21 strategy	Annual revenue budget; and Annual capital budget.
Other Plans & Strategies	Libraries stock management plan; SEN action plan; Behaviour support plan; and Education asset management plan.	Economic development strategy; and Tourism strategy.	Asset management plan; Risk management strategy; Insurance strategy; Debt recovery strategy; Treasury management strategy; Anti fraud and corruption strategy; Whistleblowing policy; and IEG statement.
Service Areas & Functions	School governance; School improvement; Special educational needs; Access; Strategic management; Lifelong learning and support; Libraries and information; Play and care of children; and School meals.	Transport Policy; Highways; Traffic and transportation; Building control; Development control; Conservation and ecology; Economic development; Tourism; Neighbourhood renewal; Regeneration and planning policy; Sustainable development; Regional economic strategy; Tees Valley Partnership issues; Urban Regeneration Company issues; and Employment training	Corporate strategy; financial services; personnel services; health & safety; ICT; staff & member training; legal services; registration & electoral services; democratic services; services for members; general office services; registrars; strategic asset management; estates; property management; consultancy services; and building services.

The case study authority is one of only 11 local authorities operating a mayoral system. The mayor was elected after campaigning as the local football mascot in 2002, in what was widely perceived to be a vote against the major political parties and against the mayoral system⁴⁸. Since the election of the Mayor the political balance of the authority has fluctuated between being a hung council and one in which a party has a small majority. The independent mayor has been mostly unwilling or unable to generate effective working

⁴⁸ The mayoral option was supported by 51% of people voting in a local referendum from a turnout of 31%.

relationships with all the political parties (including an independent or ‘administrative group’), although it could also be argued that the political groups have failed to create effective working relationships with the mayor as well.

The council’s overview and scrutiny function will fulfil the following roles:

- Review and/or scrutinise decisions made, or actions taken, in connection with the discharge of any of the council’s function;
- Make reports and/or recommendations to the full council and/or the executive and/or any policy, joint or area committee in connection with the discharge of any of the council’s functions; and
- Consider any matter affecting the area or its inhabitants (HBC 2002: Part 2:17).

These three roles give the scrutiny function a broad remit within the locality. Over the course of the insider-research period scrutiny has been supported by the equivalent of between 1.5 and 2 full time equivalent scrutiny officers to fulfil these roles. This placed the case study authority in 47.2% of unitary authorities with specific scrutiny officer support (Stoker et al 2002:52). Johnson and Hatter (2004:10) argue that the level of support for overview and scrutiny must be appropriate to the function – and members need to feel that it is appropriate. In the case study authority members have frequently voiced concerns over the level of support they are provided with. Indeed, the level of support is (at least partially) responsible for a lack of regular reviews of the implementation of scrutiny recommendations (within the case study authority) which Johnson and Hatter (2004:10) argue leads to demotivation amongst members. Johnson and Hatter’s (2004:9) research into a London Borough Council led them to the conclusion that not only was there limited respect among elected members for the scrutiny process, but it was seen as peripheral, with little or no impact on decision-making. This view is, more or less, mirrored through my own participant-observer experience in Hartlepool.

The Audit Commission (2002:8) states that HBC has supported the development of the LSP to allow it, ‘to become the single vehicle for setting the agenda, defining the process by which change and service improvements will be made, ensuring that local consultation and

participation are central, with all key elements signed up.’ Furthermore the Audit Commission (2002:9) observes that, ‘the community strategy provides the framework which focuses all the council’s work. This is a considerable strength, which prevents the council from being distracted from its priorities.’ This framework has been enhanced by the restructuring of the council to match the seven community strategy themes, allowing departments to better concentrate on one theme, and work more closely with key partners. Each chief officer gives strategic leadership for their portfolio responsibility, and provides regular briefings to the portfolio holder (Audit Commission 2002:13).

4.4.2) The Partnership

Hartlepool Partnership (the LSP for Hartlepool) constitutes what amounts to the ‘official’ horizontal model of governance for Hartlepool. Within this the community strategy provides an overall policy framework for all services in the town (Hartlepool Partnership 2002:1). The community strategy describes a long-term vision for the town, and sets a course towards achieving this through a set of principles and seven aims – each with a series of detailed objectives. The seven aims are reflected in the seven themes for the partnership:

- Jobs and the Economy;
- Lifelong Learning and Skills;
- Health and Care;
- Community Safety;
- Environment and Housing;
- Culture and Leisure; and
- Strengthening Communities.

The community strategy themes are explored in more detail in Appendix A. These themes are underpinned by the following principles: accountability; community involvement; co-ordination; equality and social inclusion; integrity; maximise opportunities; maximise resources; partnership; quality services and continuous improvement; and sustainability (Hartlepool Partnership 2002:4).

Due to the council’s small size and limited resources the council necessarily works in many partnerships, and each partnership is linked to a stated theme in the community strategy (Audit Commission 2002:12). The Audit Commission has indicated that the LSP co-ordinates action plans to ensure they are complementary and timetabled. The council focuses on service improvements for its own services, and through the community strategy it ensures all partners’ agendas are complementary and realistic (Audit Commission 2002:10). This suggests that the council is taking the lead responsibility on the LSP where necessary.

Table 3 demonstrates the linkages between community strategy themes the LSP is working towards, and the relevant council departments, portfolio holders and scrutiny forums. This serves to connect the various formal lines of responsibility and accountability between the LSP and the council. The scrutiny forums in the table are explicitly linked to the community strategy themes in the council’s constitution.

Table 3: Local Partnership, Executive, Service Department and Scrutiny Arrangements

Community Strategy Theme	Council Portfolio Holder	Council Department	Scrutiny Forum
Jobs and the Economy	Regeneration and the Economy	Regeneration and Planning	Environmental Stewardship and Regeneration (ES&R)
Lifelong Learning and Skills	Lifelong Learning and Skills	Education	Culture and Learning
Health and Care	Social and Health Care	Social Services	Health and Social Care
Community Safety	The Mayor	Community Services	ES&R
Environment and Housing	Town Management	Neighbourhood Services	ES&R
Culture and Leisure	The Mayor/Town Management/Lifelong Learning and Skills/Regeneration and the Economy	Community Services	Culture and Learning
Strengthening Communities	Cross-cutting theme	Cross-cutting theme	Scrutiny Co-ordinating Committee

Council functions outside the community strategy include the resources and performance management portfolio holder, and this broadly relates to the chief personnel services officer

and chief finance officer and their departments. These are functions that are internal to the operation of the council. In addition, the resources scrutiny forum is not in the table because it focuses on the council's central support services, the efficient use of resources, and also on external auditor reports. Consequently, it underpins the council's progress towards all the community strategy aims, rather than focusing on a specific theme (HBC Constitution 2002).

There are clear and explicit links between the council and the community strategy. There is inevitably going to be an element of cross-over between portfolio holders, council departments, scrutiny forums and theme partnerships. Nevertheless, the Audit Commission (2002:20) indicates that, 'the LSP has established itself as the planning forum for the town, and specific plans are becoming more explicit and consistent.' (Audit Commission 2002:20) Consequently, the case study authority appears to have well established governance arrangements linked to the government's conception of a partnership based approach to governance, centred on the development of the LSP. The role of scrutiny in providing accountability for these arrangements is explored below. As such the linkages discussed here, and outlined in HBC Constitution and table 3 above, suggest that on paper scrutiny should be engaging/interacting with the LSP and community strategy themes. Whether this occurs in practice will be explored through the scrutiny case studies. These case studies have been chosen for bearing the closest connection to 'governance issues' out of any in-depth scrutiny inquiries to take place over a two year period in case study authority.

4.4.3) Summary

This section has drawn attention to 'official' or 'explicit' governance framework in the case study locality. The extent to which this is engaged in the governance issues explored through the scrutiny inquiries will be examined by the scrutiny case studies and the subsequent discussion chapters.

4.5) Links to Scrutiny

Traditionally at the local authority level the whole council has held the ruling group to account, but this may no longer be sufficient to deliver public accountability (Sullivan 2003:355). As Sullivan (2003:355) argues, ‘new mechanisms for securing accountability had to be found to control actors who were responsible for managing public services but were not themselves traditional public servants.’ Sullivan is arguing that new modes of accountability which acknowledge the interdependence of actors in the delivery of services, need to accompany the old modes of accountability. This is clearly a role that scrutiny can and should be fulfilling in local governance.

The increase in central government control in setting, monitoring and regulating local government expenditure means that central government has become the key body in resource allocation (Sullivan 2003:358). Furthermore, the emerging ‘congested state’ Skelcher (2003) identifies, and the associated reduction in the functional and political sovereignty for local government, not only has an important bearing on the nature of local governance, but has a knock-on effect in terms of the scope of scrutiny to affect outcomes. Considine (2002:22) argues that in this new environment accountability necessitates, ‘the appropriate exercise of navigational competence: that is the proper use of authority to range freely across a multi-relationship terrain in search of the most advantageous path to success.’ Consequently, it could be argued that one way for councils to adapt to holding LSPs and other external bodies to account is to link the power of well-being explicitly to the scrutiny function. This will provide scrutiny with the impetus to become actively engaged in local governance. However, Sullivan questions whether it is possible to determine responsibility and accountability in an environment where so many actors contribute to the process of decision-making. For this to be possible scrutiny councillors will need a good understanding of the governance arrangements in their locality.

Chapter two draws attention to the five widely accepted roles for scrutiny. In addition to understanding what the (accepted) roles of scrutiny are this thesis is concerned with understanding how these can be most effectively exercised in the local governance arena.

Very generally, therefore, there is an important role for scrutiny in local governance in two broad areas:

- Firstly, the scrutiny process must develop a sufficiently detailed understanding of the governance arrangements in its locality to understand the various interdependencies and policy networks that are at work in a locality. This then provides an understanding of these arrangements as a basis for holding the governance of a locality to account⁴⁹. This role can be fulfilled in a gradual and piecemeal way through the cumulative effect of individual scrutiny inquiries into governance issues.
- Secondly, through the potential or scope for scrutiny to affect change in the local governance arena through policy development and recommendations within, and beyond, councils. The potential for affecting change varies across issues and sectors in the local governance arena,⁵⁰ but in all cases it relies on an understanding of the governance relationships as a basis for effecting change.

Consequently, the scrutiny function should be shaping/participating in the local governance process in two ways, firstly by holding it to account, and secondly by participating in and feeding results of inquiries into the policy making process. A knock-on effect of these is the less observable (but no less important) impact on partners' understanding of each others roles and the interests they are pursuing. Sullivan (2003) identifies two key challenges to practice in local governance that can usefully be applied to scrutiny as necessary requirements for holding local governance to account:

- Develop mechanisms for accountability that can accommodate the achievements of the whole, as well as the parts; and
- Develop and embed ways of working that enhance the capacity to behave responsibly within and beyond organisations – requires action to enhance the capacity of individuals to act and develop a shared culture of obligations between partners (Sullivan 2003:357-8).

⁴⁹ An understanding of the governance arrangements of a locality is also essential for holding local authorities alone to account, because external factors impact on and are impacted by the actions of a council.

⁵⁰ This will be explored further in the case studies of scrutiny inquiries and the discussion chapters.

There is an important role for scrutiny in holding the interdependencies of actors to account in the governance system. This is reflected in the ‘external scrutiny’ role, which the government has indicated it is considering strengthening (ODPM 2004, 2005, and 2005a). Whilst the extension of this role is welcomed here, the health scrutiny role has highlighted the additional pressures a more formalised governance role can place on scrutiny’s often limited capacity (in terms of officer support and councillor’s understanding of external organisations). Consequently, central government should offer additional support to local authorities to fulfil this additional responsibility. This should be targeted at increased officer support and member training geared towards scrutiny’s governance role. As a result scrutiny committees will be better placed to develop the required understanding of governance arrangements that are a pre-requisite for affecting meaningful change in this system.

4.6) Conclusion

This chapter has identified the importance of partnerships as a local response to the emerging governance context that has been described in the previous chapter. They are important both as a style of working in, and across, governance arrangements, and also as more formal/institutional governance mechanisms such as LSPs. However, whilst partnerships and partnership working are themselves responses to complexities in governance arrangements they can add to these complexities. Additionally, Stewart (2003) argues partnerships can be a means of both sharing or avoiding responsibilities. LSPs have emerged as the main formal partnership mechanism in many localities, and their role seems set to increase with the government considering a shift in role for these from setting visions for localities to developing an increased role in delivery (ODPM 2005a). The local governance framework of the case study locality has illustrated developed partnership arrangements that have been praised by the Audit Commission. The connections between the council and the LSP are strong, and the scrutiny forums have been explicitly linked to the remits of the LSPs theme partnerships. The case studies will test the extent to which

the connections between the LSP and scrutiny are evident, as well as less formal partnership arrangements, for the governance issues under scrutiny.

5) 'Ghost Ships' – Case Study

5.1) Introduction

During the late summer/early autumn of 2003 a contract between the US government and a private company in Hartlepool to dismantle and recover a number of naval support ships became a matter of some public conjecture. The issue was subsequently referred to the local authority's scrutiny function, and as such provides an excellent example of the role of scrutiny and local authorities in light of global pressures and flows of capital. In addition the notion of local leadership, local choice and responsive and outward looking local government are usefully tested by the governance processes at play here, through the various bodies acting with some responsibility for the matter. The first section of the chapter provides a background to the inquiry and outlines the original purpose of the scrutiny exercise. This is followed by an examination of the role of scrutiny in relation to this inquiry. The roles and responsibilities of the numerous actors involved in the governance processes around this issue are subsequently outlined. This is followed by a summary of the conduct of the scrutiny inquiry. The final section of this chapter provides a general discussion of the case study in relation to the core research problematic of the limits and possibilities of local government scrutiny in governance

5.2) Background and Purpose of the Inquiry

The scrutiny inquiry into the 'ghost ships' originated from a referral from full council on the 11th September 2003. This was the result of a question from a member of the public to the portfolio holder for economic development and regeneration, regarding the role of the council in the importation of 13 ships from the US Navy's Reserve Fleet for recovery and recycling at Able UK's facility in Graythorp, Hartlepool. In response the portfolio holder proposed the following motion, which was seconded:

*That the Council ask the Scrutiny Co-ordinating Committee to examine the
~~issues in totality with regard to processes and projects undertaken on the~~*

site, taking into consideration the SSSI⁵¹ sites in the area which had been designated since the planning application approved by the Teesside Development Company in 1996, and that the inquiry be held as soon as possible.

Whilst the full council provided scrutiny with an initial remit and scope, scrutiny co-ordinating committee (SCC) also defined its own terms and agreed the scope of the inquiry in its first meeting on this issue on 28th October 2003. It was agreed to include the following as a way forward for the inquiry:

- The impact of the arrival of the ships on the environment;
- The impact of the arrival of the ships on the local economy;
- The impact of the arrival of the ships upon local residents;
- The impact of the arrival of the ships on the 'brand' image of Hartlepool and the wider region;
- Exploring the manner in which permission is granted for such projects. Is there, for example, a case for more local consultation?
- Determining what areas of responsibility there are, and who is responsible for them. How well are these co-ordinated?

It is clear from this that the SCC took a broader view of the issue than the original remit from full council allowed for. This provided the scrutiny process with a route into the governance arrangements for this issue and refocused the inquiry on the processes that resulted in the ships coming to Hartlepool, rather than on the processes around the dismantling of the vessels. Indeed the latter conflates the scrutiny process with the planning role of the council somewhat.

Taking into account the global nature of this issue and the wide range of actors (see below) involved in the inquiry, the topic is particularly well suited to testing the theoretical framework that has been developed throughout the thesis. It is fair to say that this was an exceptional issue in terms of the public and media interest. Nevertheless, there are general

⁵¹ Site of Special Scientific Interest.

illustrative points that can be drawn from this inquiry in terms of the role and scope of a local authority in relation to private contracts and national regulatory bodies and the impact a local decision-making body has over these. Indeed, the issue of the ‘ghost ships’ draws attention to two sharply different contexts/worldviews in which the state and intellectual discourse take place, these are modernity and post-modernity (Bauman 1987:2). For a full discussion of the relationships between these, governance and scrutiny see chapter three and the section on ‘governing in governance’. The ghost ships issue serves to highlight the variety of regulatory expert systems involved in the governance of this issue and whether this is a successful approach for ‘governing’ and communicating potential solutions.

5.3) Role of Scrutiny

The role of scrutiny in relation to the ‘ghost ships’ issue was broadly a dual one, although this was confused/hampered to a degree by an ongoing planning dispute between the council and Able UK. The first and predominant role of the scrutiny function in relation to this issue was that of ‘external scrutiny’. It is worth remembering that the scrutiny process has no formal powers in relation to this issue, nor could it force any of the bodies/actors outside of the council to give evidence or act on recommendations. Nevertheless, a considerable number of external bodies were keen to be involved in this process (see below) and one of the first tasks for scrutiny was to establish who had some responsibility for this issue, what these responsibilities were, and then invite them to give evidence. The second role that scrutiny carried out was to hold the executive to account. This resulted from a controversial (non-binding) informal cabinet decision (or more accurately non-decision) that expressed support for the planned recovery of the ships in principle. The nature of the decision, and the method by which the decision was made were both called into question by the scrutiny process. In this respect the executive was held to account. However a number of questions surrounding the issue of the ghost ships coming to Hartlepool were beyond the remit of the scrutiny function. Most of the local authority’s responsibility in relation to this issue lay within its planning function. The legal view within the council was that the scrutiny process should not be allowed to compromise the planning issue by encroaching on the planning committee’s territory. Consequently the inquiry has been put on hold until the planning issue in relation to the ghost ships is resolved.

5.4) Governance Actors Involved

- **Able UK:**

On 28th July 2003 the Maritime Administration (MARAD) of the US Department of Transport announced that Post-Service Remediation Partners (PRP) would be awarded a \$14.8 million contract to remove 15 ships from the US Navy's James River Reserve Fleet. As part of this contract 13 vessels were to be dismantled at the Able UK facility at Graythorp, Hartlepool. It was the responsibility of Able to have all the permissions in place shortly after the contract had been granted. According to the Environment Agency (EA) submission to the Environment Food and Rural Affairs Select Committee on the 19th November 2003, it is common practice to bid for a contract without having permissions in place, but on the assumption that they soon will be. In addition, Able always made it clear that the 'recovery' of the vessels would take place in a dry dock, and the contract and the necessary licenses were granted on this assumption.

Between them the 13 vessels contain 698 tons of PCBs (polychlorinated biphenyls), 1400 tons of asbestos and 3300 tons of fuel oil. Able expects to be able to recycle or reuse over 98% of the vessels through the recovery process. Able projected that if this contract led to further contracts of a similar type (there are over 2000 vessels of a similar type and age in need of recovery) then over 200 jobs would be created at the Graythorp facility. However the Hartlepool TUC branch was not alone in highlighting that there were no guarantees that these jobs would go to local people. Furthermore, the Hartlepool TUC, in its submission to the SCC, argued that a number of domestic US firms, with the necessary expertise and experience, had bid for the contract. The implication here is that not only was the US capable of dealing with its own waste, domestic companies had bid to do so in relation to the ghost ships.

Hartlepool TUC also argued that the environmental concerns around the project would not be dissipated by, 'bland statements of denial' by Able UK, but by a full Environmental

Impact Assessment (EIA). However, because an existing Waste Management Licence was initially modified to allow for the importation of the ships there was no compulsion on Able to carry out an EIA. Indeed, at the time of the contract being granted to Able all the key agencies and regulatory bodies had agreed that Able UK was qualified to do the job.

However, the proposed transfer of the ghost ships to the UK was not uncontroversial, indeed Friends of the Earth challenged this contract both publicly and legally (see below for more details). Following two High Court rulings in December 2003 Able UK is now in the process of rectifying their legal position to enable ship dismantling to take place in its Hartlepool facility. This requires them to obtain the following permissions:

- Planning permission for the dismantling of ships and for the construction of a bund, dam or lock gate across the entrance to the dock. To fulfil the conditions of obtaining planning permission Able must undergo a full EIA⁵²;
 - A Waste Management Licence, granted by the EA, to allow for dismantling of ships;
 - A DEFRA licence to permit the construction of a bund/dam to create a dry dock, and a separate licence to permit disposal of dredged material removed during construction, the dredging of the dock basin and of the navigable channel;
 - PD Teesport (the local harbour authority) agreement to the dredging of the navigable channel and the adjacent Able UK berths; and
 - Department of Transport agreement to dredging of the dock basin
-
- **The Health and Safety Executive (HSE):**

The HSE's primary role is to ensure the health and safety of workers and those, including members of the public, who may be affected by work activities. The HSE has powers and duties under the Asbestos (Prohibitions) Regulations 1992 (as amended in 1999). These regulations ban the importation, supply and use of asbestos in the UK. Regulation 8 gives

⁵² The negotiations over what the EIA would contain were a drawn out process between Able, the EA and the council. Able did not submit a planning application until March/April 2005, and the planning process is ongoing at the time of writing in early 2006.

the HSE the power to grant exemptions to the regulations. An exemption was granted to Able UK on the grounds that the importation of asbestos was for disposal, not use, and the landfill site is situated near to the docks. Furthermore the HSE cited Able's experience as licensed asbestos removers and that a precedent exists for oil rigs as reasons for granting the exemption. Other factors taken into consideration were local jobs and regeneration; the global environmental consequences of not recycling the ships in the UK⁵³; and the support from other interested parties e.g. local MPs, the Environment Agency, and HBC⁵⁴.

The HSE highlighted that this contract would account for 1.8% of asbestos removal in the North East, and 0.0013% nationally. In addition they drew attention to the fact it is easier to remove asbestos from a ship rather than a building on land. In short the HSE was satisfied that Able UK 'could do the job' and they could revoke the exemption if they were not satisfied that the conditions were being met. Within the governance system the HSE can be regarded as having superior (objective) knowledge under Bauman's⁵⁵ (1987) categorisation of modern 'legislators'. As the regulator this organisation fits into a modern world-view of arbitrary superior knowledge, in which the other governance actors are compelled to accept their superior expertise for this given field. However, as repositories of specialist knowledge their role extends beyond 'pure' regulation to include contributions to policy making. Consequently this reflects a post-modern worldview in which the state's responsibility for legislation is shared as no one part of the local or national state had the general/universal knowledge to be able to combine that specialist knowledge with state power in decision-making.

- **The Environment Agency (EA):**

The EA exists to 'protect and enhance' the environment in England and Wales. As such a major role is to regulate industry, which it does through issuing licenses. There were two licenses that were of particular importance to the ghost ships issue. Firstly, a Transfrontier Shipment (TFS) is required for the shipment of waste into the UK. In April 2003 Able UK

⁵³ During the course of the inquiry comparisons were made with ship dismantling in China and India, where ships are often dismantled on beaches in uncontrolled conditions.

⁵⁴ The support from HBC cited here was from an informal cabinet meeting that was not binding.

⁵⁵ See chapter three.

and MARAD approached the EA to discuss importing the vessels from the US to the UK, and on the 22nd July a TFS approval was granted for the 13 vessels. A number of conditions were attached to this approval, of which 'all necessary permissions are in place' proved to be the most pertinent. The second license was a site Waste Management License (WML). On the 31st July Able applied for modification to their existing site WML. The EA undertook an assessment of dismantling in a dry dock, and the modification to the WML was granted on 30th September 2003. However, a legal challenge by Friends of the Earth to this had serious ramifications for the validity of this modification and is discussed below. The EA has a similar status to that of the HSE within the post-modern world-view described above. The EA effectively performs as a post-modern legislator, in which it acts as a regulatory arm of the state, adopting an interpreter role geared towards facilitating communication between autonomous participants in the governance system. The EA fulfilled this role through consulting with the council and Able UK, in particular, in relation to the ghost ships issue.

- **DEFRA:**

It would not be unreasonable to expect DEFRA to be a key actor in this process as the sponsoring government department of the EA, but its involvement in the scrutiny process was minimal, and from a broader governance perspective it seemed content for the EA and HSE to respond to this issue. Given the global nature of the issue and the country of origin of the ships it is possible to suggest (and it was suggested repeatedly by some councillors and members of the public) that it suited the government to have minimal involvement in the issue. However, DEFRA was (perhaps) the only governance actor with the necessary state power to join-up this issue and co-ordinate the responses of the other governance actors in this process. The lack of involvement from DEFRA highlights Bauman's view that there has been a divorce between the state and intellectual discourse (expert systems). Furthermore, it could be argued that the state has not been fulfilling its role as an interpreter effectively because of the breakdown in communications between the relevant agencies that has led to the breakdown in Able's permissions to fulfil its contract. It should be noted that the government has subsequently committed itself to producing a ship recycling strategy (Environment, Food and Rural Affairs Committee 2004:17).

- **Hartlepool Borough Council (HBC)**

Aside from the scrutiny process (which is outlined in the conduct of the inquiry section below) the main role for HBC as an actor was in its planning capacity. In its role as a Local Planning Authority (LPA) HBC is required to consider all planning applications put before it, on their own merits and only taking material planning considerations into account. In March 2003 Able contacted the council, seeking confirmation that existing planning permissions allowed for the dismantling of ships at the Graythorp site. An initial and informal indication from council officers was that the ships could be dismantled under the terms of their existing permissions, but the council qualified this by indicating that they would need to discuss this further and seek advice. In a submission to the Environment, Food and Rural Affairs Committee about this issue, the mayor of Hartlepool has stated that since 1st July there were ongoing informal discussions between Able UK and the council to clarify two related planning issues. These were:

- Whether there was an extant planning permission to allow for the dismantling of the ships.
- Whether there was an extant planning permission to allow for the construction of a bund/dam and dock gate(s) so as to create a dry dock.

In relation to the first issue the council's position was that this was considered to be covered by existing permissions. In relation to the second issue, the council took the view that there was not extant permission upon which the company could rely. This became a matter of contention between the council and Able UK since October 2003. The High Court hearing of December 2003 ruled that Able UK did not have planning permission for dismantling the ships, and HBC's Planning Committee ruled that the existing planning permission was not extant on the 17th December.

The arrival of the ghost ships in Hartlepool also raised issues relevant to the council's powers to promote economic, social and environmental well-being:

- Economically – through the creation of jobs, and the future prosperity of the town. There were two arguments over the benefits this would bring, on the one hand there is the potential for more contracts of this sort, bringing long-term manual employment in a region that has been traditionally reliant on this type of employment. On the other hand concerns were expressed over the effect this would have on the image of Hartlepool and its long-term strategy of developing as a centre for tourism.
- Socially – the issue was the subject of high profile media attention, which created a large amount of vocal opposition to the ships. Whether this was a case of a silent majority not being opposed to the ships coming to town is a matter for debate, but at the time a poll in the local paper indicated 91% of people opposed the ships coming to Hartlepool. Given the high profile nature of the issue and the groundswell of public opinion the council clearly had a need to respond to the issue given its representative role.
- Environmentally – the importation and disposal of waste from the vessels had potential environmental implications for the town. Furthermore, there is a Site of Special Scientific Interest (SSSI), and bird and seal sanctuaries near to the docks and landfill site. Consequently, there was a justification for the council to pursue the issue on this basis

However, a local authority cannot act on its powers of well-being where there are explicit limitations and restrictions in other legislation. Consequently, given the clear responsibilities of the EA and HSE, the only field where HBC could exercise its authority as the responsible body was in the field of planning, and it can only take into consideration planning matters relating directly to the site. This leaves the scope of the powers of well-being constrained to those of environmental factors alone, and even here the key issue (at the time of the scrutiny inquiry) was over whether the existing permission was extant, rather than whether a full EIA should be undertaken. Following the planning committee's decision on the 17th December 2003 a new EIA now needs to be undertaken.

- **Friends of the Earth (FOE)**

The capacity of FOE to intervene in this issue was never in doubt, as a large environmental pressure group operating on international, national and local levels of governance interaction. On the 30th October 2003 FOE applied to the High Court for a judicial review of the EA's modification to Able's WML. FOE were concerned that the EA had acted unlawfully by failing to ensure there was a proper assessment of the potential impacts on the local SSSI. Within a day the EA had written to FOE to agree that the modification could not stand, and that they would not oppose FOE's application to quash the modification. Able UK, however, took a different view and would not accept that the modification to the WML was invalid. Consequently the legal process proceeded and on 8th December the High Court found in favour of FOE.

Within the governance arrangements of the ghost ships issue FOE were clearly a key actor, and in many respects the most decisive in terms of influence over the eventual outcome. However the organisation came in for a fair amount of criticism, most notably from the local MP (at the time) at the Environment, Food and Rural Affairs Committee, for 'bullying' the process and putting out statements that 'lacked proportion'. However, the evidence FOE submitted to the SCC meeting on 31st October was entirely consistent with the other agencies understanding of the toxins contained on the ships. It was the media that tended to present the total amount of toxins for the 13 vessels as that contained on each vessel.

- **'Other' Actors:**

There were a large number of actors involved in the governance of this issue. The Maritime and Coastguard Agency, English Nature, the Industry and Nature Conservation Association (INCA), Tees Valley Regeneration⁵⁶ and the Harbour Master all indicated that they had no objections to the recovery of the ships in the Able UK facility in Hartlepool. Generally this constituted the extent of these bodies' involvement in the scrutiny process and governance of the issue. ~~All of these bodies have their own responsibilities and remit~~

⁵⁶ A regeneration company operating in the area.

and the ghost ships issue was not found to be contrary to these. As we have seen MARAD and PRP had the responsibility for granting the contract to Able UK, and also in the case of MARAD assurances had to be made in the event of Able not being able to fulfil its contract. Consequently, the US government gave a guarantee that it will keep ownership of the ships until the contract is completed. This means that they are responsible for ensuring that the contract is carried out according to all the relevant regulations and requirements.

5.5) Conduct of the Inquiry

Joint Meeting of Neighbourhood Consultative Forums: 3/10/03

The purpose of this meeting was to hear the views of members of the public and take this forward as part of the evidence gathered in the scrutiny inquiry. A short report on the ship dismantling process and the roles of various agencies was presented at the meeting. At the meeting council officers indicated that after reviewing relevant documentation and legal advice, the council could confirm that Able had planning permission for the, 'dismantling and refurbishment of ships at the Graythorp site.' However, with regard to the construction of a bund or dam to create a dry dock the council was reviewing the scope and validity of previous permissions and seeking further evidence. Without such further evidence the council would be unable to satisfy itself that planning permission existed for such physical works. A lively discussion followed in front of the national and local media. The members of public attending this meeting were overwhelmingly opposed to the ships coming to Hartlepool.

Meeting One: 28/10/03

The purpose of this meeting was to scope the issues surrounding the dismantling of the US Navy ships and to examine how the scrutiny inquiry should be conducted. The general approach for the inquiry that was agreed at this meeting is outlined in the background section above. Whilst the issue primarily involved national regulations in the management of waste (including hazardous substances) and a contract between a foreign government and a private company, there was a clear role for scrutiny under the remit of the SCC,

which under article 6 of the council's constitution may investigate issues of local concern, outside the control of the council and other public bodies in the area, and make recommendations to the council, the executive and/or other organisations arising from the outcome of the scrutiny process (HBC Constitution 2002).

The key issues emerging from the discussion at this meeting were:

- The potential for new jobs in Hartlepool, and whether these jobs would go to specialist contractors outside of Hartlepool.
- The potential for UK Naval vessels to be demolished at this yard, and the potential impact of this.
- Concern was expressed about the amount of asbestos contained on the ships and what would happen to the disposal of heavy diesel and other fuels.
- Concern was raised about a letter sent from the council in response to a request from the HSE indicating that there were no formal objections to the contract to dismantle the ship. The director of regeneration and planning indicated that he had received a letter from the HSE with a very short timescale for the council to reply, which did not leave enough time to call a formal cabinet meeting⁵⁷. Consequently, an informal meeting of the cabinet was convened on the 23rd July. At this meeting the informal cabinet indicated that it supported the proposal for an exemption certificate for the importation of asbestos to Hartlepool on the grounds that it would contribute to the economic regeneration of the area. This was subject to all the necessary permissions and consents being in place, the imposition of strict working conditions and monitoring, that the necessary safeguards were put in place to protect the environment, and that reasonable efforts were made to ensure that the jobs created were offered to local people.
- In relation to the letter from the HSE to the director of regeneration and planning the SCC expressed concern at the reference of bringing the ships into a dry dock, which it was now clear did not exist. It was indicated to the committee that this issue would be coming before the planning committee on the 3rd November.

⁵⁷ The meeting was adjourned for twenty minutes so that copies of the HSE's letter to the council and the reply from the council could be provided to members of the committee.

- There was concern that the wording contained in the e-mail indicated that the council ‘supported the proposal’. This gives the indication that the informal cabinet had reached a decision, when it was not entitled to do so.

The issues raised here provided a provisional line of inquiry for the committee to pursue during the public meeting with the various agencies involved in this issue on the 31st October 2003.

Meeting Two: 31/10/03

A day long meeting of SCC was held in which 55 members of the public attended. Evidence was heard from: Able UK, the HSE, the EA, English Nature, Industry Nature Conservation Association (INCA), The Harbour Master, HBC, Tees Valley Regeneration, and Friends of the Earth. In addition the following agencies provided written submissions: DEFRA, Greenpeace, the RSPB, ONE Northeast, and Hartlepool TUC.

Two key findings emerging from this meeting were to have a great influence over the scrutiny process. Firstly, the EA indicated that it no longer considered the Transfrontier Shipment (TFS) for the vessels to be valid because not all the necessary permissions were in place. Furthermore, the Waste Management Licence (WML), which Able required to dismantle the ships, was no longer deemed to be valid because there was no permission in place for a dry dock to be constructed, which was one of the conditions upon which the granting of a (modified) WML and TFS rested. Secondly, the legality of whether or not the permission for constructing a bund for the creation of a dry dock was in place was contested by a number of actors involved in the governance arrangements for this issue. Consequently, the legal process effectively became the key actor in process at this stage. This further constrained the scrutiny process in an already congested governance system.

‘Extraordinary’ Council Meeting: 4/11/03

Whilst the scrutiny process was ongoing an extraordinary meeting of the full council was called to discuss the following motion:

We request the Chairman call an Extraordinary Meeting of the Council to discuss the admission by the Secretary of State at the Ministry of Transport that he has the power to reroute the Ghost Ships and turn them back and propose the following motion that the Council immediately contact the Secretary of State and ask that he use these powers and turn back the ships.

The motion was unanimously agreed by full council. However, despite at least two of the four ships that have arrived in the UK being far closer to the US at the time of this statement, maritime advice was that the safest course of action was for the ships to continue on their course to the UK. Both the UK and US governments accepted this advice and all four ships arrived in the Hartlepool. In addition, full council had referred the ghost ships issue to scrutiny on 11th September, thereby setting a process in motion. However, this motion effectively pre-empted scrutiny's findings and recommendations, undermining the scrutiny process. The high levels of public interest/pressure around this issue may have contributed to all members of the council feeling the need to be seen to be responding to this matter politically at this time.

Meeting Three: 16/12/03

The purpose of this meeting was to provide a summary of the evidence gathered at the meeting of the committee on the 31st October. In addition, because the scrutiny inquiry originated from a referral from the full council, it was agreed that some interim recommendations would be agreed in light of the evidence gathered through the scrutiny process thusfar. A general conclusion of the inquiry was that, 'whilst there may be serious levels of concern in respect of the ships being dismantled in Hartlepool, the real concern was with weaknesses in the process rather than the dismantling itself.' Consequently, the committee made the following interim comments/recommendations:

1. Concerns about the lack of leadership during the process;
2. No one individual or agency took responsibility for co-ordinating the process;

3. The council was put in a difficult position as civic leaders which conflicted with its role as a planning authority. More robust mechanisms must be put in place to ensure full and proper communication with members;
4. In light of the need for open and transparent decision-making the mayor was urged to reconsider the use of informal cabinet;
5. Proper community involvement at an early stage would have avoided some of the problems that emerged later in the process; and
6. Able UK should enter into a voluntary EIA to placate some of the uncertainties regarding the risks to health posed by the ships.

The chief solicitor also provided a further update on the current position. Attention was drawn to the High Court challenge by three Hartlepool residents, which had resulted in a summary decision that a ship was not a marine structure and as such meant that ships could not be dismantled under the existing planning permission. Details of the judgement, and an application for a 'bund' were to be considered formally by the planning committee on the 17th December, prior to the announcement of a full decision on the 18th December. In view of this and the ongoing nature of the legal situation it was felt that the most prudent course of action would be to submit one final report following completion of the legal process. It was also felt that it would not be proper to comment until the planning committee had completed its work. The planning process is still incomplete, although a planning application for the construction of a bund and other works was submitted in late 2005.

Meeting Four: 11/5/04

At this meeting the chief executive provided an update on the current situation in relation to the ghost ships and responded to the interim recommendations the committee made to council. In response to recommendations 1,2, 3 and 5⁵⁸ the chief executive argued that the council had not been provided with sufficient formal information around the processes at hand to disseminate information to relevant elected members prior to late July/early August 2003. However, the use of informal cabinet, and more generally the division of executive and scrutiny functions under the new political arrangements, meant that most elected

⁵⁸ Outline in meeting three above.

members, and the public were kept in the dark about this issue until early September. Consequently, there are concerns about the ability of scrutiny to influence policy as it develops. Furthermore, as a result of the use of informal cabinet there was no published decision for scrutiny to consider when holding the executive to account. As yet the mayor has not responded to the criticisms of the use of informal cabinet (as outlined in recommendation four). Admittedly he was not present at the informal cabinet meeting under scrutiny, but the overall responsibility for the (continued) use of this type of meetings lies with him. In addition members' comments were sought on the cabinet's proposed submission to the government's Environmental, Food and Rural Affairs Committee's inquiry into the *Environmental impacts of the dismantling of defunct ships in the United Kingdom*. Members of the committee had nothing to add to the chief executive's report.

5.6) Discussion

The ghost ships issue draws attention to the global impact on local governance and the large number of agencies with responsibilities for carrying out functions in this system. The increased complexity in governing has been identified as a driver for modernising local government in recognition of the need for local authorities to be more outward looking and responsive in this context. Indeed, Stewart (2003) argues that local government has an important role in complex and changing societies, and that it has value in its own right and in the whole system. However, reconciling the value of local government with the governance of the whole system can be complex, and contradictory – there is often not the space in the governance system for the competing governance actors to reconcile their different objectives, which is why the notion of hierarchy in the governance system is so important. In relation to this issue a series of decisions were taken by the US government, the UK government, regulatory bodies, and private companies leaving a limited room for manoeuvre for the local authority. The powers of well-being and the community leadership role can potentially provide local authorities with an increased role in local governance. However, they offered a limited outlet for councillors to respond to public concerns and act as community leaders for this issue. Nevertheless, these powers provided scrutiny with a route into the governance of this issue.

Further drivers of the local government modernisation agenda identified here are those of efficiency of decision-making and accountability. Indeed, concerns over the lack of transparency and co-ordination in decision making between the responsible bodies have been highlighted by the SCC, the mayor and the council's chief executive. These concerns about transparency and accountability have been mirrored within the council. Indeed one of the interim recommendations of the committee on the 16th December was that, 'in light of the need for open and transparent decision making the mayor was urged to reconsider the use of informal cabinet.' To date he has not done so. The introduction of new political structures aimed to provide increased accountability and ensure that local communities were fully involved in decisions affecting their lives. The evidence from this inquiry, and from my experience in scrutiny generally, is that the new political structures have had the opposite effect. Power is concentrated in fewer hands and the (perceived) lack of awareness of decisions and involvement in decision-making amongst backbencher councillors has become an increasingly dominant theme running across the scrutiny forums since the ghost ships inquiry. The working relationships between senior officers and cabinet members has led many in scrutiny to claim that they lack parity in esteem and advice, which reduces the likelihood of transparency for councillors and the community at large.

The ghost ships case study has been a difficult issue for a local authority to handle. Some people have criticised the council for being *rudderless* and falling behind the planning permission issue once a vocal minority put pressure on HBC. However, whilst this argument is plausible, the subsequent high court rulings have reinforced the importance of the planning permission issue. Nevertheless, if the council has appeared rudderless at times, the complexities of governance and the confusion over the co-ordination and lack of leadership for the process paint a picture of a small local authority afloat in the murky waters of governance. The *governability* of this matter was beyond the scope of HBC and local governance generally. So whilst national regulatory bodies have a role to perform in ensuring that all technical assessments are met, Stewart's (2003) argument that the fragmented nature of governance is highly differentiated and lacks a requisite capacity for integration was highly pertinent for this issue and ultimately a key finding of the case study. Stewart (2003:14) moves on to argue that community leadership by local authorities

should enable the necessary integration to respond to community problems. Indeed it could be argued that through the scrutiny process, and the meeting on the 31st October 2003 in particular, that this role was fulfilled. However, whilst the scrutiny process and the local authority as a whole adopted a community leadership role, this largely involved holding processes to account (essentially a reactive role) rather than developing policy in a progressive fashion. Consequently, the community leadership role provided a degree of integration once the *problem* had arisen and the various governance actors had established their positions, but not when the issue was being defined. Whether a local authority should be (or is capable of being) the lead body in integrating a technical issue such as this is debatable given the prominence Bauman (1987) places on the divorce between intellectual discourse and the state and the growth in expert systems. Nevertheless, the local government modernisation agenda places expectations on local authorities (as the democratically accountable bodies in the local governance system) to take the lead for issues like this.

Throughout the scrutiny process the notion of accountability has consistently been behind the process rather than driving it. Whilst it would be fair to say that scrutiny has shed some light on the process and acted as a forum to examine the issue, it would be stretching matters quite considerably to say that scrutiny had influenced the wider processes of governance here. The referral of the issue by the responsible portfolio holder to scrutiny might suggest that the values of scrutiny had been disseminated across the council, and that this was an opportunity for the values of openness and transparency to influence the wider processes of governance. Whilst there is certainly some truth in this, and little (material) evidence to suggest otherwise, through my insider-researcher / participant-observer role I would take a more cynical view in that the referral came after a number of decisions had been taken in a less than transparent fashion⁵⁹, and had subsequently become public knowledge, which then motivated the referral to scrutiny. Indeed, scrutiny officers and councillors felt that this issue had become a political ‘hot potato’ passed from the portfolio holder to scrutiny. Consequently, it is possible to argue that scrutiny is undervalued to such an extent that it is viewed as a mechanism for escaping accountability and ‘difficult’ decisions. Given that the responsible portfolio holder was not called to give evidence

⁵⁹ Although given the tight timescales the HSE placed on the local authority for a response, there was insufficient time to call a formal cabinet meeting.

during the scrutiny inquiry by any of the political parties, there is some evidence to support this view. Nevertheless, once the matter had been referred to scrutiny there was the opportunity for an evidence-based in-depth inquiry to explore the actions of the various actors involved in this issue.

It could be argued that the scrutiny process was at its most effective as a forum for the public and interested parties to express their views and aspirations. The scrutiny process has no formal powers with regard to calling witnesses, but most of the agencies involved were keen to have the opportunity to feed their views into a public and democratic forum. The controversial and emotive nature of the issue led to high levels of speculation about this issue, and the scrutiny process allowed the responsible bodies to clarify their positions on this matter.

However, by meeting public aspirations so effectively the expectations of scrutiny were raised beyond the scope of scrutiny's powers and resources. Consequently, members of the public were given a forum to express their views (aspirations) over this issue but were frustrated at the inability of scrutiny to turn the ships back. The vast majority of local people sufficiently motivated to express an opinion in the scrutiny forum simply could not understand how the ships were being allowed to come to Hartlepool, and why the council was not sending them back. This demonstrates a lack of understanding by the public over the general functions of a local authority, and the unrealistic extent to which a local authority is held to account by the public it serves. This finding was a little surprising because whilst it may be reasonable to expect the public to hold a council to account for functions it used to deliver and were within its remit, this particular issue would never have been the responsibility of a local authority⁶⁰. The role of the planning committee shifted some of the expectations away from the scrutiny process by November/December. Nevertheless, the scrutiny process suffered from the expectations placed on it, as a result of being the only available forum for public aspirations to be raised once the issue became public between September and November 2003.

⁶⁰ This is leaving to one side the planning application – which must be treated on the merits of the case and not the principle of the issue.

Through the inquiry into the ghost ships, scrutiny took on the *responsibility* of promoting the towns' social, economic and environmental well-being. However, the powers to do so (in this instance) were limited to those of investigating the issue and publicising its findings. There were no formal powers to fulfil this role; instead HBC exercised its responsibilities over the issue through the planning committee. However, in light of the aspirations and expectations expressed through the scrutiny process the powers and resources of scrutiny were clearly not adequate in relation to the heightened responsibilities that were placed on it. The heightened responsibilities of scrutiny are a result of the referral from full council, and the diminished responsibility of the executive – who were unwilling to take the lead on this issue and were happy to *fudge* it through the referral to scrutiny⁶¹.

The relative lack of involvement of MARAD at the local level of consequence in the UK is a telling factor in the governance of this issue. There has been limited contact between MARAD and HBC, and it has been a practically invisible actor in the eyes of the local population. The lack of contact between local residents and MARAD reduces the potential for the local population to understand the process at hand here and highlights the confusion over complex responsibilities in a globalising post-modern world. The distance between the public and the actors involved in this issue (both geographically, in the case of MARAD, and in terms of public awareness of government agencies and their roles) poses problems for the notion of accountability locally. A key theme here was that there was a general assumption (amongst some sections of the public) about the council (and national government) being responsible for decisions which in reality they are not. The scope of the local authority to act was, in this case, severely limited by the responsibility of other actors to fulfil their functions unimpeded. In the governance system it is natural that the actors with the requisite technical expertise should fulfil their functions in granting licenses and permissions to Able so that it could fulfil its contract. However, as the democratic and accountable body in the locality there were pressures on HBC that far outweighed its responsibilities, which were reflected during the scrutiny process.

⁶¹ The official line the majority of the cabinet adopted very soon afterwards (from the referral on the 11th September until the extraordinary Council vote on the 4th November) was we will wait to hear the views of the scrutiny inquiry. However, the fact that the scrutiny inquiry had not concluded before the vote at the extraordinary council meeting on the 4th November suggests that the issue was being fudged in scrutiny during a particularly controversial period rather than members of the council waiting for (and valuing) scrutiny's findings/recommendation.

This issue usefully highlights whether scrutiny should have a decision-making role. If we return to Bauman's conception of 'legislators' and 'interpreters' then the question must be asked whether the local state has the necessary knowledge to legislate over this issue? It is not unreasonable that in an issue such as this that the expert systems of the HSE and the EA, amongst others, are relied upon. However part of the reason that the accountability for this issue is so complex is that no one part of the local nor national state had the general/universal knowledge to be able to combine that specialist knowledge with state power in decision-making. This leads to a variety of actors with their own internally logical (but not universally so) expert systems. This poses problems for joining up solutions and co-ordinated governance, and for accountability, which in turn is problematic for the scrutiny function in terms of fulfilling its responsibilities to hold decision-makers that cut across the governance landscape to account. The scrutiny function should not have a decision-making role but it should have direct access to a body that does. The interim recommendations of the scrutiny forum that one body should be co-ordinating issues of this sort would allow for greater awareness of the issues at hand and also for a direct line of influence/accountability. It could also be argued that the sponsoring government department should have been more actively involved in this issue at a much earlier stage.

Regarding the limited scope of local government in the local governance arena, it is clear that of all the local governance actors HBC was the key one. The various regional and sub-regional partners expressed their support for the project, but little more, and the LSP never formally discussed the matter. The chair of the LSP (the local MP) became fairly active in the process quite late on, and was keen to stress the economic advantages of the project. However, the key issue here relates to the lack of importance the local governance arena had with regard to shaping this process. Local actors had very limited involvement in the process until the scrutiny process began, and the nature of the involvement then was focused on examining the process at hand, rather than shaping it. Although recommendations from scrutiny could potentially shape similar governance processes to these in the future.

5.7) Conclusion

The main lever the council had over this issue was planning legislation, which is not so much a power as a duty. The planning role is tightly prescribed and closely regulated to consider matters through only taking 'material planning considerations' into account. The role of scrutiny, and by extension the council as a whole, had been to check if all the relevant bodies have been doing their jobs properly and whether the correct procedures have been followed. The interim findings of the SCC (listed above) suggest that not all the relevant bodies performed their functions properly, with Able UK, the EA and HBC all open to criticisms. Scrutiny's findings largely relate to the complexities in governance and the lack of co-ordination/leadership to bring all the actors together. However, given the inquiry was incomplete scrutiny struggled to extend its views across the governance arrangements.

A (if not the) key issue affecting the influence of scrutiny was the withdrawal of the WML and TFS by the EA. The scrutiny process was hampered here because a new planning permission was required for the construction of a dry dock. SCC broadly followed the legal advice provided to it and removed planning issues from scrutiny because of the fear of pre-empting/prejudicing the council's role as an impartial planner. This was a conservative approach to the councillors' community leadership role in my view, and demonstrates a lack of belief in the powers of well-being, which are intended to empower local authorities to act on behalf of their citizens in matters of public concern. Therefore, councillors could no longer act in their capacity as elected representatives and community leaders for this issue, and there was no other governance mechanism to fulfil this role. It could be argued that scrutiny was the correct mechanism for examining topics such as; how had a WML modification granted on the 30th September been deemed invalid only one month later? However, the local authorities' planning role impeded it from exploring this further. Furthermore, if the previous permission had been acted on and deemed 'live' then there would have been no mechanism through which local government or governance could have influenced the process. As it turned out this issue was the loose thread that unravelled the project.

6) Flooding – Case Study

6.1) Introduction

The flooding case study is an example of the local authority, through its scrutiny function, responding to the political and systemic risk of continued sewer flooding in the case study authority. Northumbrian Water are primarily responsible for the service delivery of this issue. Consequently, the case study provides a good example of the external scrutiny of a private company and the various regulatory and governance arrangements that are in place for the issue. The case study is structured according to the headings outlined in the methodology chapter.

6.2) Background and Purpose of the Inquiry

There are a number of areas in Hartlepool that have experienced flooding increasingly frequently and of a larger volume over recent years. This has caused damage to property and possessions, and the closure of roads on a number of occasions. The flood water itself is basically sewage, and this causes a great deal of distress to residents affected by it whether it is in their homes, gardens, or streets. Consequently flooding in Hartlepool became an issue which attracted a high level of interest amongst the local public and media (for example *Flood of Concern*, *Spotlight on Flood Threat*, and *Flooding experts to give views*, in the Hartlepool Mail 26th March, 8th July, and 30th August 2003 respectively).

In agreeing the 2002/3 scrutiny work programme the Scrutiny Co-ordinating Committee (SCC) reacted to the mounting groundswell of public concern by agreeing that this was a topic that should be considered by scrutiny. It was agreed that the Environmental Stewardship and Regeneration Scrutiny Forum (ES&RSF) would consider the topic at some point in the 2003/4 municipal year. The original purpose of the inquiry was to look at how agencies such as the water companies and the council work together; to examine communication issues; to examine the extent to which a coherent and integrated plan to tackle flooding exists and put forward proposals for developing and improving this; and to

look to develop a strategy to facilitate an effective co-ordinated response to future flooding incidences.

The increased frequency and volume of flooding in Hartlepool over recent years serves to highlight the possible effects of global climate change. CFCs (chlorofluorocarbons) and carbon dioxide released into the atmosphere contribute to the global problem of stratospheric ozone depletion irrespective of where they are omitted (Greene 1997:314). As a consequence of global industrial development, we may have altered the world's climate, and damaged a great deal more of our earthly habitat besides (Giddens 1999b). In the twelve months before the conclusion of the scrutiny inquiry there were two major storms in Hartlepool, classed as once in 250 years and once in 100 years incidences of rainfall by the Environment Agency. Clearly these were exceptional events, but the government has made it clear that the global climate is changing and the country will experience more extreme weather events, including frequent floods (ES&RSF 25/3/03). The consequences of this issue are felt at a local level (i.e. by the residents experiencing flooding). However the causes of it are apparent at the global level, firstly through climate change, and secondly through the privatisation of public utilities, which is related to the UK's reaction to global trends outlined in chapter three.

Prior to 1973 local authorities were responsible for water and sewage services. The Water Act of 1973 led to the water supply being grouped into ten regional water authorities in England and Wales, with local authorities maintaining the majority of sewers on behalf of the water authorities under agency agreement (Byrne 1990:285). In December 1989 the ten regional water authorities were floated on the stock exchange (Bakker 2003:67). Since privatisation the role of local authorities has declined, and water companies are largely responsible for the sewage and water system, whilst the council must clean the gullies. Consequently two key issues arising in relation to both the scrutiny inquiry and my thesis are:

- What are the responsibilities of the various actors in relation to flooding?
- What impact can HBC, through the overview and scrutiny function, have on the governance process in relation to this issue?

6.3) Role of Scrutiny

The scrutiny process for this issue cuts across a number of the roles that the scrutiny function can fulfil. Given that the primary service provider with some responsibility for flooding in Hartlepool was Northumbrian Water (NW), a private company with no formal links to the council or the LSP, the external scrutiny role was central to the inquiry. In addition, the scrutiny process fulfilled its policy review role through reviewing the relevant policies and procedures in place for flooding. The forum then moved on to make a series of recommendations in line with its policy development role. This case study provides an interesting exemplar of how the policy development and review roles of the scrutiny function can work in relation to external partners. This is particularly significant given the growing prominence of governance arrangements in localities, as outlined in the theoretical framework, and the need for these to be held to account.

One area in which scrutiny can look to influence external partners is through adopting the community leadership role and the associated powers to promote well-being. Indeed this is what happened in Hartlepool in relation to the flooding inquiry. As Stewart (2003) argues this role can reflect the needs and aspirations of different areas and backed by the powers of community well-being can enhance the scope for local choice. However Stewart (2003:34) continues to assert that unless the machinery of central government can respond on a joined-up basis to joined-up government at local level, then the potential for community planning will not be fully recognised. In addition the fact that NW has no links to the local LSP complicates the community planning side of the community leadership role somewhat. Nevertheless this new role stemming from the modernisation agenda is intended to empower local authorities and councillors as community leaders in the locality.

6.4) Governance Actors Involved

When conducting an external scrutiny inquiry it is important for a scrutiny forum to scope the issue thoroughly. By doing so a scrutiny forum should gain an initial understanding of all the relevant actors involved in the governance of an issue, which can often provide a

route into the governance landscape for the scrutiny process. This section will provide a brief outline of the roles of the relevant governance actors for this issue.

- **DEFRA**

DEFRA plays a central role in water policy, setting standards and formulating water policy (Bakker 2003:69). In addition, Bakker argues that although its role is not clearly defined by legislation, DEFRA plays a key role in water regulation, and has assumed more responsibilities than it was originally assumed it would, for example through chairing the 'Periodic Review' process of the industry. The scrutiny forum made no connections to DEFRA during the process. This was a weakness of the inquiry given the argument by Northumbrian Water that it was meeting its service standards despite the flooding in Hartlepool⁶².

- **OFWAT:**

Following the progressive privatisation of the utility services responsibility for policy over the provision of these services is assigned to new regulatory bodies. In the case of water this responsibility falls on OFWAT as the economic regulator of NW, which in turn is accountable to DEFRA as its sponsoring department in government, and to Water Voice as the body that represents the interests of customers of the water and sewage companies on behalf of OFWAT. Ernst (1994:37) argues that, 'the introduction of a regulatory system is an explicit public policy response to the unique composite of social and economic characteristics that differentiate public utilities from other industries in the economy.' Bakker (2003:147) asserts that the water industry has primarily been regulated through the use of 'price cap regulation'. However, there has been a degree of 'regulatory creep' since the industry was privatised, as price reviews take place every five (instead of ten) years, largely as a result of above expected profits (Bakker 2003:147-8). Bakker argues that this, combined with variable price caps for individual companies, has led to a weakening of the incentive structure underlying the regulatory framework. Consequently, at the time of the flooding inquiry the water industry was undergoing increasingly heavy capital expenditure

⁶² Which is explored later in the chapter.

requirements in a less forgiving financial climate than during the first decade following privatisation (Bakker 2003:177).

OFWAT produces an annual report *Levels of service for the water industry in England and Wales*. This report assesses the level of service for each of the water companies across the following areas; customer service, water service and sewage service. Across these areas three categories are of particular relevance to the scrutiny issue; written complaints (DG7), ease of telephone contact (DG9), and the number of properties at risk from internal flooding from sewers (DG5). These are the areas that water companies are regulated on in terms of flooding and contact with their customers. The customer service side of the regulation has a particular relevance to this inquiry because of the public's experience of poor communications with Northumbrian Water. OFWAT only collects detailed information from water companies about internal flooding of properties – not external flooding. Performance is then monitored by the number of properties deemed to be at 'risk' of flooding. The scrutiny forum argued that this was an unreliable approach because it relied on the water companies themselves to compile the lists, and the methodology for doing so varied from company to company.

- **Water Voice Northumbria:**

Water Voice Northumbria represents the interests of all customers of the water and sewage companies in its region on behalf of OFWAT, providing a clear distinction between their role as customer representatives and OFWAT's role as the economic regulator. Therefore Water Voice exists to provide a degree of accountability to OFWAT and NW. However, given that the Regional Manager claimed at a follow up meeting of the scrutiny forum on the 6th April 2004 to be unaware of the serious flooding in Hartlepool in August 2003, the efficacy of this body in fulfilling its functions must be open to question. The public awareness (or lack of it) of Water Voice is demonstrated through members of the public attending scrutiny not reporting their experiences of flooding to them. This serves to highlight the lack of accountability that is a by-product of the complexities in governance. As a result of privatisation water companies are regulated, and these and the regulator itself are held to account by Water Voice as the body representing customers. Generally there is

a lack of understanding of the process here by members of the public. At a non-public meeting between a few members of the ES&RSF, council officers, and the chief executive and chair of Water Voice to discuss flooding in Hartlepool, the accusation that Water Voice were merely apologists for Northumbrian Water was levelled at them. However, Water Voice Northumbria could more accurately be described as being reasonably focused on holding Northumbrian Water to account within the existing regulatory framework., but were more unwilling to challenge this framework and, therefore, to challenge NW to deliver a higher level of service on this basis.

- **Environment Agency:**

The Environment Agency's (EA) responsibility for flooding from the sewage system is limited and indirect. The area in which the EA has some responsibility is in classifying rainfall events. The water company is then audited on the amount of properties at risk from a one in ten years flooding event, and must protect properties against a one in twenty years flood or be liable to compensate residents for this.

- **Northumbrian Water:**

As the sewage company NW has a general duty (under section 94 of the Water Industry Act 1991) to provide, extend and improve the public sewer system to ensure that their areas are, and continue to be, effectively drained (OFWAT 2002:8). They must protect properties from flooding resulting from up to a once in twenty year rainfall event, or otherwise they are obliged to pay compensation.

NW achieved first place in OFWAT's overall performance league for water and sewage companies in 2001/2. The company made a profit of £92.4 million, and after tax £91.3 million for the year ending 2001. However, a key finding emerging from the scrutiny inquiry was that it was very hard for residents suffering the effects of flooding to contact NW and if they were contacted they often did not return calls or visit the customers contacting them. This generates some doubt over the accuracy of the figures NW supply to OFWAT in relation to the DG5/7/9 categories (highlighted above). In addition the scrutiny

forum, residents and Water Voice all concluded that it was not acceptable to be flooded internally or externally, a point on which NW differs. In fact it was stated on a number of occasions by their representative that if members of the public wanted a better service they must be prepared to pay more water rates. Given the quite sizeable profit the company is making in delivering what is still essentially a public utility this did not go down well with the public or the scrutiny forum. However, it is the role of the regulator to determine the profit level of the water companies.

- **Hartlepool Borough Council (HBC):**

The predominant responsibility of HBC is to clean the gulleys. At the time of the scrutiny inquiry a backlog in the maintenance and cleaning of the gulleys was identified. The scrutiny forum recommended that action was taken to clear this backlog and a regular gulley cleaning programme was put in place. These recommendations were accepted by the cabinet and this demonstrates the role of scrutiny as a ‘key influencer’ within the council. Furthermore, through the community leadership role the council (through its executive, senior officer and scrutiny functions) was keen to take a lead in the co-ordination, communication and the development of a flooding policy. This would suggest that given the democratic accountability of local government within the governance system, and the potential burden (as well as powers) the new community leadership role places on local authorities, the council feels the need to take the lead where it is not necessarily its responsibility to do so. However, a key question emerges in relation to this; if the council is not the governance actor primarily responsible for this issue is it necessarily sufficiently empowered/funded to take on this role?

6.5) Conduct of the Inquiry

Meeting One 25/3/03

The first meeting of the ES&RSF in relation to flooding was a meeting to scope the topic area. At this meeting the following terms of reference for the inquiry were agreed:

- To examine the nature, extent and impact of flooding in Hartlepool.
- To assess the contributory factors involved in flooding – including past and current maintenance.
- To look at how key agencies deal with flooding and what emergency plans exist for this contingency.
- To estimate where possible the costs incurred by the council and other relevant agencies in dealing with flooding.
- To make recommendations for appropriate action by the Council and other agencies.

Meeting Two 11/7/03

At this meeting the roles and responsibilities of a variety of stakeholders were outlined, including those of the council, NW, the Environment Agency (EA), property owners and Riparian property owners (those who own land adjoining streams, watercourses and rivers). In addition the head of technical services highlighted a number of areas in the town suffering from flooding, which could be used as potential case studies. Some of the causes and potential causes of flooding in these areas were provided. The head of technical services also indicated that Hartlepool, along with local authorities across the country, was failing in their provision of gully cleansing services. He identified a reduction in budget following the reorganisation of the Cleveland County Council and the introduction of compulsory competitive tendering – whereby gully cleansing has become part of a general cleaning service and had to compete with other services for resources – as contributory factors. In addition, poor communications with NW were highlighted (by councillors, officers and members of the public) as a key factor exasperating the flooding problem in Hartlepool.

Meeting Three 22/7/03

At this stage in the inquiry members of the forum, accompanied by scrutiny officers and the council's principal engineer for environmental issues, went on a site visit to the flooding

hotspots in the town. A timetable was drawn up for residents to meet with members of the forum at pre-arranged times⁶³ at different locations. Consequently, members of the forum met with people who had been experiencing flooding and gained an understanding of their experiences and their views on the causes of flooding. Through going out to meet the public in locations where flooding occurred the technical knowledge of expert witnesses could be supported, and tested, by the experiences of the public in flooded areas.

Meeting Four 19th – 21st August 2003

During the inquiry the need to establish an account of first hand experiences from residents was regarded as an important element for informing the scrutiny exercise. One hundred and fourteen members of the public attended three (joint scrutiny and neighbourhood forum) public meetings in the north, south and central areas of the town. In addition 33 of the council's 47 councillors were present at the meetings, as were council officers with relevant responsibilities and representatives of NW. On the Sunday prior to these public meetings there had been widespread flooding across the town as the result of an 'exceptional rainfall event'. The effect of this on the public meeting was twofold. Firstly the large numbers of people attending the meeting and feeding their views into the process could at least partially be attributed to the very recent and extreme flooding in the town. Consequently, the scrutiny process benefited from a high level of public engagement. Secondly the flooding on the Sunday distorted the process in two ways. Firstly through the pressure placed on NW and the council through a rainfall event which was well in excess of the levels of service either body has to protect against. Conversely this exceptional storm served to deflect a lot of the criticism levelled at the council and NW because it clouded the issue, and obscured more general comments and complaints made in relation to the continued flooding in the town.

⁶³ The level of public feeling and interest around this scrutiny topic is usefully highlighted by the fact that members of the public came out to meet with the scrutiny forum. It is also notable that by taking scrutiny out into the community to meet with the public there are tangible rewards for the scrutiny process by working in an innovative way.

Key issues raised at these meetings included:

- The council only has two gully cleaning machines, which operate too infrequently and this was, at least in part, responsible for some of the flooding in the town. The head of technical services accepted that the level of service was inadequate and highlighted it as a priority for his department.
- One part of the town had flooded seven times in the last five years. NW indicated that they were looking at this area as a matter of some urgency, but there was little they could, or indeed were obliged, to do from such heavy rainfall as in the last flood.
- A difference of opinion emerged between residents and NW over the existence of a switch at one of the town's pumping stations. There is frequent flooding in this part of the town, and when NW have come out and gone to the pumping station the water has dispersed very quickly.⁶⁴
- Poor communications in relation to incidences of flooding were a constant theme of these meetings. NW were singled out as being particularly poor at this, with residents complaining that telephone calls and letters were frequently unanswered.
- Residents identified some areas of the town that had flooded, which NW had been unaware of. NW attended all three public meetings and gained a better understanding of the scale of the problem in Hartlepool through this. NW stressed that they rely heavily on residents reporting incidences of flooding in order to address them.
- NW confirmed that they would pay compensation to residents experiencing flooding at times of normal rainfall but not at times of exceptional rainfall. They do have a hardship fund which they provide as a gesture of goodwill only.
- NW pays all the clean-up costs of flooding, but again unless this is the result of exceptional rainfall they are not obliged to do so.
- The need for greater co-ordination across the town when flooding has occurred was a major theme of these meetings.

⁶⁴ This has been a recurring theme in the inquiry. On one hand residents want to know why can't members of the public, or NW employees living in the town, have access to this station. Whilst on the other NW insists it is not the problem here, and a switch does not exist.

- There was a common perception amongst residents that no one was taking responsibility for the problem.
- Residents were concerned about the effects of building new housing developments in the town on the areas already experiencing flooding. NW have no powers to restrict housing developments although they could object to applications on the grounds of insufficient capacity to deal with surface drainage.

Meeting Five 2/9/03

The purpose of this meeting was to gather evidence from expert witnesses about flooding in Hartlepool. Representatives of the EA and NW attended this meeting, along with the council's own experts. OFWAT had not been invited to this meeting, and it was suggested by NW that it could be beneficial to talk to a representative of OFWAT regarding the standards set and the consequences of climate change. This illustrates a key theme of the case study, namely NW were being criticised for the level of service they provide, but they are (largely) meeting their service standards. As a consequence the broader regulatory framework needed to be explored and scrutinised. However this was largely ignored during the inquiry, which is a significant omission that undermined the scrutiny process somewhat. It could be argued that the potential for the scrutiny process in one local authority to change the national regulatory framework is limited. Nevertheless, exploring the role of OFWAT and inviting representatives to attend scrutiny could have usefully informed discussions with NW at this stage of the inquiry. NW did indicate that should OFWAT increase the level of protection that they must offer against incidences of flooding, then this could lead the company to raise its bills to customers to cover the cost of this service.

The issue of granting planning applications for housing developments was again raised at this meeting. Both the EA and NW are consultees that have not made a specific recommendation to refuse a planning application on the grounds of flooding in the town. Both the EA and NW had been consulted about the council's Local Plan, which includes new areas of land that have been allocated to meet the growing requirements for housing up to 2016.

Following this meeting the chair of the ES&RSF, the scrutiny manager, technical services and NW met to discuss the preparation of a draft final report to be presented to the next meeting of the forum.

Meeting Six 30/9/03

During discussions of the draft final report the forum concluded that the problems of flooding in Hartlepool had to be addressed and that it was the responsibility of the council under its power of well-being to take a positive and proactive lead in this respect. The forum recognised that it could not achieve this alone but it had a responsibility to work with all the agencies⁶⁵ involved to establish some real and effective solutions.

The forum identified a number of areas where action was required. These included:-

- (i) Poor co-ordination between agencies and council departments resulting in situations of flooding going unrecorded and at times of major incidents a disjointed response from agencies without proper follow up.
- (ii) That communication with residents, both on the part of the council and NW was poor. Particular reference was made by a number of residents to both telephone and written correspondence going unanswered by NW.
- (iii) The provision of information to help residents protect their homes and to assist them with appropriate contact numbers was not readily available.
- (iv) That the council has no policy or identified resources to deal with flooding.
- (v) That the council gulley cleansing programme was not performing to appropriate standards. The reporting procedure for blocked gullies was unclear. When reported there was often no response.

⁶⁵ Although the forum did not question OFWAT and the government with respect to overall regulatory framework.

- (vi) That the council was unclear as to its role in relation to incidents of flooding and this needed defining as a matter of urgency.

Furthermore, the forum outlined the following general recommendations:

- It is not acceptable for people to have their homes flooded with sewage, either internally or externally.
- Ofwat must ensure that sewage companies have the appropriate level of financial resource to provide an effective sewage system and are able to deal with problems at the earliest opportunity.
- The council has a duty to protect its residents from circumstances, which affect their well-being. Flooding is one such example.

The report then proceeded to outline a series of recommendations to various actors involved in the governance of this issue. The recommendations directed at the council itself are listed below (together with the cabinet's response) at the cabinet meeting on 3rd November 2003. In addition specific recommendations were made to outside bodies in the final report. In relation to NW the forum recommended that it should:

- Improve its relations with Hartlepool customers;
- Ensure that in the business plan for the next five years sewage flooding is given priority;
- Work on its relations with partners, particularly Hartlepool council.

In addition the forum recommended that the government should:

- Express levels of concern in relation to insurance for flooding victims – the council should write to the ODPM expressing the need for adequate and affordable insurance cover for householders and businesses affected by flooding.
- Look at creating a planning system that seeks to minimise the impact of increased and more regular flooding.

The forum's recommendations in relation to OFWAT were:

- Include instances of external flooding as part of the data collected from water companies;
- Examine targets and triggers relating to flooding; and
- Develop a more robust method of data collection.

Finally the forum recommended that the EA should:

- Clarify exactly how they collect the data to define storms as 1 in 40 years and 1 in 100 years etc.

During discussions members suggested that a further recommendation was added to the report:

- That it is recommended that no more houses are built on land in areas that have experienced problems with flooding and sewage until the current problems are resolved.

This recommendation was duly incorporated into the final report.

Meeting Seven 16/10/03

Given the high levels of public involvement during the scrutiny inquiry it was felt it would be good practice to hold a public meeting, during an evening, to disseminate the findings of the forum. There are no minutes from the meeting. However, I took notes during this meeting, which support my recollection that there was some dissatisfaction with the conclusions of the forum, and a lack of belief that it would lead to any tangible change in the situation. However, there was also support for the process and the belief that something would finally be done about the flooding in the town. Despite this difference in opinion about the potential outcomes of the inquiry the ES&RSF was successful in providing a

forum for the public to express their experiences of flooding, their views on the water company's and the council's services in relation to flooding, and their views on the conclusions and recommendations of the forum.

Cabinet 3/11/03

At this meeting the final report of the ES&RSF was presented to the cabinet. Following a discussion of the contents of the report members of the cabinet proceeded to consider each of the forum's recommendations in relation to the council, the minutes of which are included below:

Scrutiny Forum Recommendation (i) – *As a matter of some urgency the council clearly defines its role in relation to flooding incidents.* – Agreed. In response to a proposal made by cabinet members, that an acknowledgement should be sent to those customers who report faults with gullies, the director of neighbourhood services highlighted the wider implications for the contact centre and agreed to provide a detailed report to a future meeting of the cabinet.

Scrutiny Forum Recommendation (ii) – *Implement an effective regular gulley-cleaning programme* – Agreed. Identifying funding in the following years budget was highlighted as a high priority.

Scrutiny Forum Recommendation (iii) - *Take responsibility for promoting information about flood prevention and the necessary action to take if flooding occurs* – Agreed. In view of the proposal to include an article in Hartbeat⁶⁶, it was considered unnecessary to also send a letter to every household.

Scrutiny Forum Recommendation (iv) - *To examine the development of a council Contingency Fund to alleviate extreme hardship in the case of flooding* – During discussion on the implications of the recommendation a number of concerns were expressed. It was agreed that a further report be submitted to a future meeting of the cabinet on the legalities

⁶⁶ A magazine produced by the council every month, which goes to every household in the town.

of the proposals. The report also should include the requirements of the Northumbrian Water Authority's Hardship Fund.

Scrutiny Forum Recommendation (v) - *That it is recommended that no more houses are built on land in areas that have experienced problems with flooding and sewage until the current problems are resolved* – Concern was expressed regarding this recommendation. It was agreed that a report be submitted to the cabinet following reconsideration of the issue by the scrutiny forum.

Scrutiny Forum Recommendation (vi) – *To produce a more co-ordinated council emergency response when flooding occurs* – Agreed. Cabinet noted that work was ongoing and received an update on the current situation⁶⁷.

The response of cabinet here would suggest that the scrutiny inquiry had been a real success, and that the forum had successfully adopted (i.e. in terms of outcomes) a policy development role within council. Recommendations iv) and v) were the only ones not accepted by the cabinet. Recommendation iv), to examine the development of a council contingency fund perhaps took the community leadership role of the council too far by attempting to make the council financially responsible for an issue in which it only has limited responsibilities. Recommendation v) returned to scrutiny and is discussed further below.

Meeting Eight 25/11/03

Following the meeting of the cabinet on the 3rd November 2003 the ES&RSF was asked to look further at recommendation v) in relation to, 'the council looking at putting an embargo on all building in the affected areas.' The head of technical services attended this meeting and expressed a professional opinion that:

- It was at this stage speculative to conclude that flooding problems in the town are caused or exacerbated by new or recent development.

⁶⁷ Recommendations taken from the Cabinet minute and decision record 3/11/03.

- The impact of any development on a sewage or natural drainage system could be managed by a variety of solutions to ensure that flooding is not caused from predicted rainfall events.
- A blanket statement discouraging/preventing development on any site currently affected by flooding could remove an opportunity to attract funding to deal with that flooding. The impact of each site and the technical way of handling surface water should be assessed on its own merits and the correct solution determined before development takes place.

There were, however, no guarantees that future developments would not lead to further flooding. Consequently, the scrutiny forum decided to stand by its original recommendation. The key issue here was on the *burden of proof*. Cabinet seemed to be asking scrutiny to prove that the Local Plan⁶⁸ would lead to further flooding. However, following a lengthy inquiry members of the scrutiny forum were not convinced that the proposed development in the Local Plan would not lead to further flooding. Scrutiny was seeking assurances that this would not happen, and to change its recommendations the executive or the council's senior officers needed to prove without doubt that the Local Plan would not lead to increased flooding. In a sense scrutiny was covering its back here, and courting public opinion because the effects of housing developments in the town on flooding had been a major public concern during the inquiry. It is not unreasonable that the burden of proof was placed on the executive, and that the cabinet should be made to make a difficult (and in some quarters unpopular) decision and overturn the scrutiny recommendation.

Cabinet 15/12/03

At the meeting of the cabinet, the responsible portfolio holder for regeneration and the economy considered that it was important that each planning application for new developments in Hartlepool give due regard to the recommendations of the scrutiny forum and that, therefore, this information be passed on to the planning department. So whilst the

⁶⁸ i.e. in terms of proposed future land-use in the town.

information was noted, the recommendation as a whole was not accepted. The executive has different priorities from those of scrutiny. Whilst all councillors are supposed to be working towards the same strategic vision for the town, in practice the executive works much more closely towards corporate priorities. Consequently, it is not surprising that they would not want to see the Local Plan and the long-term development strategy for Hartlepool threatened by a recommendation to place new development in Hartlepool on hold. However, given that the forum had adopted the position that flooding of homes with sewage is unacceptable, the priority of the ES&RSF was to prevent further flooding to residents in the town, at whatever cost. The cabinet would like to see no more flooding in the town, but as the executive body it had to take a more balanced view and weigh this against other priorities.

6.6) Discussion

There are two levels to the governance of this issue; firstly that of the local/regional delivery of the public utility of water, and secondly that of the global governance of pollution and global warming which is harder to effect and somewhat beyond the scope of scrutiny's influence. Environmental issues and sustainable development are so called 'wicked issues' which cannot be resolved by a single organisation (Stewart 2003:12). Consequently, the need for partnership working is paramount. Through using scrutiny as an outlet for the community leadership role a response to the flooding issue could be 'worked out' through emergent governance arrangements at a local level. These temporary governance arrangements were generated through the scrutiny process and mainly involved councillors, council officers, NW, and members of the public. By holding NW (as the main service provider) and the council to account the scrutiny process extended its values into the wider processes of governance for this issue, whilst creating a forum for the development of partnership working between these bodies.

The privatisation of public utilities in Britain can be interpreted as part of the British strategy to adapt to economic globalisation with a more open economy. But Ernst (1994) argues that the privatisation policies of Conservative governments were the result of a diverse set of economic and political objectives, ranging from ideological (rolling back the

state) to the pragmatic (e.g. generating additional public revenue). Despite some different objectives privatisation was enacted according to a more or less coherent ideological agenda, which involved a substantive redrawing of the boundaries between the state and the market (Ernst 1994:2). At the time of privatisation it was argued that the government failed to deliver and achieve productive and allocative efficiency outcomes (Ernst 1994:54). According to Ernst regulation is in place because the market cannot deliver efficient and equitable water services without some role for the state. As a result this supports Jessop's (2000) notion of governance as a response to state and market failure.

The case study demonstrates that scrutiny, as a local government reform, is able to influence the wider processes of governance through the community leadership role, and the new powers of well-being (especially environmental). Through tapping into a groundswell of public opinion in relation to the ongoing flooding of parts of Hartlepool the ES&RSF gathered first hand evidence of the flooding in the town and residents views on the water company's and the council's services in relation to flooding. Having established this evidence base the scrutiny forum could then look to develop a community leadership role through proposing recommendations to the various responsible bodies that had widespread public backing. In this respect the values of openness, transparency and accountability became relatively influential for the governance of this issue.

The flooding inquiry was selected largely in response to a public demand for a solution to the ongoing flooding problems that had beset the town for a number of years. It could be argued that public and media pressure around this matter led to the council, and scrutiny specifically, reacting to this mounting pressure by conducting an investigation into the issues that were causing this problem. There was a clearly observable problem in the town of sewage entering people's homes, and this was deemed to be unacceptable by large sections of the public. The council was by no means the body primarily responsible for this issue, but there was an initial imbalance in public perceptions over this. Consequently, the council as the democratically accountable body was the natural focal point for taking the lead on this inquiry. However, by taking on this leadership role the council was raising aspirations and expectations around the process, which it was not necessarily empowered to fulfil.

The aspirations for this inquiry, both within scrutiny and for the public, were relatively high. The council lacked an explicit flooding policy, and the head of technical services made it clear from the start of the inquiry that he was eager to engage with scrutiny in developing a policy or approach to flooding in the town. The willingness of a senior officer and his department to engage with the scrutiny process opened up a space for scrutiny to take on a policy development role and to affect change, thereby, heightening the engagement and aspirations of elected members. Furthermore, public aspirations for this inquiry were raised through the extensive public consultation throughout the process. Scrutiny meetings were extremely well attended by both councillors and members of the public. The influence of scrutiny was enhanced through providing a forum for the expression of public aspirations. By engaging with public opinion the scrutiny process combined with a powerful ally to ensure that the relevant service providers must listen to, or be seen to listen to, the scrutiny recommendations. This raised the expectations for the outcomes of the scrutiny inquiry, but also the powers of the scrutiny process to meet those expectations. However, scrutiny meetings attended by large numbers of the public could prove to be a hindrance to rigorous and systematic scrutiny in terms of limiting the opportunity for holding services providers to account when the volume of questions from the public allowed the representatives of NW⁶⁹, in particular, to ‘fudge’ any rigorous line of inquiry. A key development resulting from the aspirations and expectations generated by the scrutiny process is that scrutiny, and by association, the local authority, became the key mechanism in terms of public engagement. However the scrutiny process could not fulfil all the expectations placed on it because the solutions to these are the responsibility of other governance actors – most notably OFWAT and DEFRA, in terms of changing the level of service which is regarded as acceptable. The forum failed to extend its recommendations adequately to these bodies and as a result did not receive a response from these to its recommendations.

Over the course of the inquiry it became clear that Northumbrian Water were not obliged to, and did not intend to, provide a service beyond protecting homes from internal flooding from storms not more severe than a one in twenty year rainfall event. However,

⁶⁹ More effective chairing could have ensured that certain questions were responded to, rather than being allowed to be bypassed.

Northumbrian Water faced a number of ‘pressures’ to their flooding policy for Hartlepool, namely; an extreme weather event causing large-scale flooding, media interest and public pressure prior to the scrutiny inquiry – all of which arguably prepared the ground for the company to review its water provision for the town. This is the context in which the scrutiny inquiry began – so it is possible to argue that a policy space was being created prior to the scrutiny process, and to a certain extent this was in anticipation of it. Consequently, there was a sense of readiness on the part of Northumbrian Water to work with a scrutiny process tapping into the ‘pressures’ outlined above that could result in a change in policy. Indeed, Northumbrian Water acknowledged that they had moved a scheme to improve Hartlepool’s sewage system up their list of scheduled improvements as a result of the scrutiny inquiry. Furthermore, the recommendation around improving co-ordination and communications at times of flooding were broadly accepted by all partners. However, whilst the scrutiny process has positively influenced the type of service delivered, it has done so within parameters defined by the regulatory framework. Scrutiny struggled to engage effectively with this regulatory framework as part of the inquiry. This suggests a lack of ambition on the part of members and officers to influence broader processes of governance, plus some mismanagement of the final recommendations of the forum.

Through the community leadership role, and the associated powers of well-being; aspirations, expectations and responsibilities are placed on scrutiny that it does not necessarily have the powers and resources to meet. The flooding inquiry is a good example of this. The onset of *governance* has meant that there are an increasing number of agencies delivering services in localities. In the case of water utilities, the operational tasks associated with the production of the utility has been privatised, and the responsibility for the provision of these services is assigned to the regulatory agency OFWAT, and the sponsoring government department, DEFRA (Loughlin and Scott 1997:205). However, one of the key recommendations of the inquiry was that:

The Council has a duty to protect its residents from circumstances, which affect their well-being. Flooding is one such example.

Whilst the local authority is not the primary service provider with responsibility for incidences of flooding in the town there are still areas in which it exercises its powers – over which scrutiny tried to exert some influence. Given that the responsible department was keen to establish a flooding policy through involvement with the scrutiny process this case study provides a good example of the powers of local government within governance because the local authority was (relatively) unified behind a position. As a consequence of this proactive approach there was a willingness to utilise the community leadership role and powers of well-being as an influencer of the future organisational arrangements for a flooding policy. However, as has been highlighted above, the powers of local government constrain the impact of scrutiny recommendations to compel external partners/actors to follow these recommendations.

The flooding case study puts the powers of well-being under the spotlight. What exactly do they mean to local authorities that have undergone the modernisation process? The flooding case study shows that by tapping into these powers and the community leadership role scrutiny can take the lead in driving the process surrounding a local governance issue. As we have seen real benefits emerged from the scrutiny process in relation to the council's and Northumbrian Water's priorities, and the development of a more co-ordinated approach to flooding in Hartlepool in general. It could be argued that scrutiny fulfilled a very important function in describing and then rationalising (as far as it could) the governance of flooding in the locality.

6.7) Conclusion

Given the democratic legitimacy local authorities create in the local governance system the scrutiny process tapped into and encouraged the aspirations and expectations of the public in relation to flooding in Hartlepool. However, in terms of generating solutions to the ongoing flooding problem in Hartlepool, neither scrutiny nor the local authority was the body with primary responsibility for solving. Stewart (2003) argues that the community leadership role turns on the ability of councils to influence their partners, and for this they require levers. In relation to flooding these levers are limited by the rigidity of the regulatory framework, which leaves little room for local flexibility. Consequently, it could

be argued that the powers of well-being and community leadership role create an artificial role for scrutiny and the local authority in the governance arena, through becoming the lead governance actor⁷⁰ when its responsibilities are not those of a lead agency. As the main service provider Northumbrian Water is effectively accountable to its share holders, OFWAT, and Water Voice. During the scrutiny inquiry it became clear that these bodies are quite remote from the public generally, and also from the public's expectations. This is a by-product of the system of governance, in which an increasing number of agencies are delivering and regulating public services. The public are failing to 'keep up' with these developments.

Nevertheless, the scrutiny inquiry was successful in securing local improvements to prevent future flooding in Hartlepool. Firstly the council made improvements to its gulley cleaning programme in accordance with scrutiny recommendations. In addition, the council showed a willingness to adopt the forum's recommendations around taking a lead on improved co-ordination, communication and developing a flooding policy. Furthermore, Northumbrian Water showed an increased willingness to co-ordinate services with the council at times of flooding and to make improvements to the sewage system. However, there was no involvement from the LSP in the scrutiny inquiry, nor in the broader governance of the issue during the time of the scrutiny inquiry. None of the key governance actors (other than the council) sit on the LSP. It is possible that developing closer governance arrangements between the actors involved in this issue through the LSP may lead to further improvements to the sewage system and could also provide a route for issues to be raised about the level of protection provided to homes through the regulatory framework.

⁷⁰ Certainly in terms of accountability.

7) Skateboarding – Case Study

7.1) Introduction

The skateboarding inquiry in Hartlepool was a response to growing demand for skateboarding facilities in the town. The development of a skate park in the Mill House area of the town, opened on Easter weekend 2002, responded to some of the skating demand in the town, but not all. Consequently, the culture and learning scrutiny forum (C&LSF) decided to explore skateboarding issues in the town as an in-depth scrutiny inquiry. This case study is structured as follows: firstly, the background to, and purpose of, the inquiry are outlined; secondly, the role of scrutiny in relation to the inquiry is explained; this is followed by a background to each of the governance actors involved in the scrutiny process; the next section provides an outline of the conduct of the inquiry, which includes information on what occurred during each of the seven meetings concerned with this issue; and finally the inquiry is analysed against the core research problematic.

7.2) Background and Purpose of the Inquiry

The inquiry into skateboarding undertaken by the C&LSF was a response to a growing trend for a new type of leisure activity amongst young people in the town. According to the evidence presented to the forum the craze of skating/skateboarding had come and gone in the 1970s. However, over the last 10-15 years in-line-skating, skateboarding and BMX biking have all been growing in popularity, and are thought to be here to stay. Not only are these new kinds of activity they take place on the ‘streets’, the significance of which is that they occupy street space, can damage the infrastructure and are a highly visible form of activity often involving reasonably large groups of teenage boys. They also tend to occur in town centres because the surfaces are suitable for skating, and there are a variety of shapes and slopes upon which the skaters can perform tricks. Brooke (2003:14) states that, ‘for the past forty years skateboarding has rolled in and out of public consciousness...its not a sport for everyone, and that’s just how skateboarders like it.’ Consequently skateboarding, and the associated youth culture, became a perceived public nuisance (amongst some residents) in the town as young people practiced their activity in the town

centre amongst shoppers and councillors, arriving and leaving the civic centre. Furthermore a petition of nearly 1,000 people was collected by young people about 18 months prior to the start of the scrutiny inquiry to canvas support for the development of a skate park. The response of the council to this demand, both through a service department and the scrutiny function, is a key feature of the case study.

The purpose of the inquiry was initially to examine the management of the Mill House Skate Park, and its effectiveness in reducing skateboarding in public areas. Under the remit of reducing skateboarding in public areas a general overview of issues surrounding skateboarding was pursued by the forum. A series of events also served to extend the original purpose of the inquiry. Firstly, a proposal for the council to enter into a partnership arrangement with a local business for the development of an indoor skate park refocused the purpose of the inquiry. Upon reaching its findings in relation to this proposal the forum concluded its inquiry for the remainder of the municipal year. The inquiry reopened in the following municipal year with many of the issues from the initial phase of the inquiry remaining. In addition, the issues of the development of a mobile skate park and (again) an indoor skate park became particular focuses for the purpose of the inquiry.

7.3) Role of Scrutiny

The scrutiny inquiry into skateboarding fulfilled a number of the roles of scrutiny. The forum fulfilled a policy review role in relation to this inquiry. By undertaking this role members of the forum gained a understanding of the council's existing service provision in relation to skating in the town, against the backdrop of a general understanding of skateboarding as an increasingly popular leisure activity and cultural phenomenon amongst young people. This approach then led to a policy development role through which the forum largely recommended that various policies should *not* be developed, although there were some recommendations that can be seen as new policies for the council. Finally, the forum actively engaged in external scrutiny during this inquiry. This occurred through a series of referrals to the forum, which involved potential partnerships with outside bodies, and through the links the forum established to a number of actors in the governance system on its own accord.

7.4) Governance Actors Involved

- **HBC**

The key governance actors within the council for this inquiry were the community services department, the mayor, and the culture and learning scrutiny forum. At this time the mayor held responsibility for the issue under the remit of his portfolio, and had publicly committed himself to pursuing the interests of the young and improving leisure facilities within the town. The community services department was the responsible department for providing services for skateboarders. Over the course of the past few years HBC has been undergoing a process of considerable 'efficiency savings' and the community services department has been affected more than others by this process. This is because it has the least statutory services under its direction. Consequently, in the context of a tight local authority budget the community services department was working under particularly restricted circumstances at the time of the skateboarding inquiry.

- **Tees Valley Local Authorities**

HBC entered into discussions with the Tees Valley local authorities over the possibility of joint working towards the development of a mobile skate park scheme. This process was led by Darlington Borough Council. Lack of funding, both capital and revenue, was a major factor limiting the response to calls for new skateboarding facilities across the sub-region. As a consequence there was interest across the Tees Valley to explore, where they arise, new funding opportunities, and, where resources are tight, to work collaboratively towards common aims. One such opportunity was the Community Young People's Play Scheme. This comes under the New Opportunities Fund (see below).

- **Neighbourhood Renewal Fund (NRF)**

The NRF is part of the government's Neighbourhood Renewal Unit (NRU) and aims to enable England's 88 most deprived authorities, in collaboration with their LSPs to improve

services, amongst other things. A key aim behind this process is to encourage local authorities to reallocate resources in their mainstream budgets to tackle deprivation better. NRF is a targeted grant that can be spent in any way that will tackle deprivation in the most deprived neighbourhoods. The grant is based on time-limited funding to facilitate more effective long-term targeting of mainstream funding. An NRF grant was used prior to the scrutiny inquiry for the development of the Mill House skate park.

- **The New Opportunities Fund (NOF)**

The NOF is an organisation responsible for distributing National Lottery funding to 'good cause' schemes to communities across the country. Community Young People's Play Scheme is one element of the NOF's Playing Fields and Green Spaces Programme, which is managed by Sport England. £90,000 was allocated to the Tees Valley from this scheme, for the targeted and innovative development of a small number of projects that demonstrate good practice for children's and young people's community play. Recognising the limitations of the grant funding available, Tees Valley local authorities chief leisure officers agreed to the principles of a collaborative project, involving the development of a mobile skate park, to be led by Darlington Borough Council.

- **Hartlepool Community Network**

Hartlepool Community Network is the name given to the town's Community Empowerment Network (CEN). In order to achieve effective community and voluntary sector involvement within the Hartlepool Partnership, an effective and inclusive Community Network is vital. This means bringing together community and voluntary groups and organisations. Government has provided assistance through the Community Empowerment Fund (CEF) to help achieve this. CEF funds a number of community development workers to operate throughout the town. Their role is to support members of the public, residents associations and community/voluntary sector involvement with the Hartlepool Partnership. The Community Network is one of the key partnerships in the LSPs Strengthening Communities theme partnership.

The input of Hartlepool Community Network in the inquiry was to bring members of the Hartlepool Skateboarding Association (HSBA) into the scrutiny process, and to attempt to further their agenda through this process. The development of further skateboarding provision in the town was an issue that the network was pursuing at the time of the scrutiny inquiry. The scrutiny forum welcomed their involvement in, and input to, the inquiry, which provided an additional thread of evidence for the forum to consider and draw on.

- **Private Businesses**

During the course of the inquiry the scrutiny forum engaged with a number of private businesses over the possibility of entering into partnership arrangements for the provision of a variety of skate parks. The first private business involved in the scrutiny process was the Trans Pennine Group who wanted to use a grant from the council to fund the purchase of skate ramps to go into a proposed indoor skate park on the outskirts of the town. The findings of the forum in relation to this are outlined in meeting three below. During the later stages of the inquiry two further businesses were involved in the scrutiny process. The scrutiny forum was seeking to explore examples of skateboarding provision within the sub-region. Through this process the possibility of entering into partnership arrangements with these bodies was explored.

7.5) Conduct of the Inquiry

Meeting One: 17th September 2002

At its meeting on 16th July 2002, the C&LSF expressed a wish to, 'examine issues surrounding skateboarding activities within the town.' This was in response to growing public demand for something to be done for or about the skateboarders in the town. This item was subsequently approved by the scrutiny co-ordinating committee as a topic for the work programme of the C&LSF.

The purpose of this meeting was to seek guidance from members on how skateboarding issues should be examined, in particular how to access public views on the issue. After an

initial briefing on the development of the Mill House skate park and other skateboarding issues members discussed approaches to the inquiry and made a number of observations about skateboarding issues in the borough. The forum subsequently agreed to pursue the following issues during its inquiry:

- Site visit to the Mill House skate park
- Visits to other skate parks in the sub-region.
- Discussions with a variety of stakeholders, including skate park users.

Council Meeting: 17th October 2002

At this meeting of the council the mayor presented a report from the executive requesting the use of £35,000 of the council's reserves to be issued to the Trans Pennine Group to facilitate the development of an indoor skate park on the outskirts of the town, at a development called 'Jesters'. The executive needed to receive council's approval for the use of the reserves because it fell outside of the budget and policy framework. The chair of the C&LSF indicated that his forum were already holding an inquiry into skateboarding activities, and consequently, the issue of the use of reserves was referred to scrutiny, with the request that its findings were reported back to council by the 21st November 2002.

Meeting Two: 5th November 2002

Following the referral from council this meeting now had a dual purpose. Firstly background information was provided to the forum about skateboarding and on the development of the Mill House skate park, in line with the original remit of the inquiry. Secondly, following the referral from council, the details of the proposed agreement between the Trans Pennine Group and the council were provided for discussion.

Members of the forum were briefed on the growing demand for skateboarding facilities (especially indoor venues) in the town. Skateboarders, in-line skaters and BMX bikers used the street furniture to practice and play on. Consequently, during 2000 and the early part of 2001 requests from young people, residents and councillors were made to the

council's community services department to consider some sort of provision for skateboarders. However, there were no resources available in the department's budget to meet this demand. As a result the council had sought funding by making bids to a number of agencies and pools of funding. The result of this process had been a £60,000 grant from the Neighbourhood Renewal Fund (NRF) to be spent in 2001/2 financial year. This placed tight timescales on the council and the community services department in particular, who sought to develop a facility working closely with a group of young skaters. The result of this was the development of the Mill House skate park.

The benefits and limitations of the Mill House site were discussed by the forum. It was established that this had not satisfied the demand for skateboarding in the town, but it was never the intention that it would do so. The Mill House skate park had been intended as a *start* towards meeting the high levels of demand for this activity. The site had the advantages of being on council owned land, away from houses, close to the town centre, and in an NRF area. Furthermore, the council was able to use the NRF money within the allotted timescales and incorporate young people's views on the layout and design of the park into its plan. However, it is a small outdoor facility with no supervision⁷¹, when many skateboarders were looking for a more challenging indoor park.

Accordingly the mayor⁷² was keen to explore opportunities for developing new skating facilities, which led him to exploratory discussions with Trans Pennine Group about the Jesters facility. Jesters is a large industrial unit that would easily accommodate a skate park, a refreshments area, equipment shop and terraced seating. However, the cost of manufacturing the skate ramps were deemed prohibitive to the company. Consequently, the possibility of the council funding the provision of the ramps was discussed. In return the council would retain ownership of the ramps for five years, and get free skating sessions for Hartlepool residents at selected times (largely 'off-peak'). The forum discussed this matter but reserved forming an opinion until they had visited Jesters.

⁷¹ It is situated in a relatively deprived part of town with high levels of crime that has caused some problems for some of the young skaters.

⁷² At this time the mayor was newly elected and his portfolio covered leisure/community services and young people, which were areas he was interested in developing. This is explored further in section 7.6.

Meeting Three: 12th & 18th November 2002

At this meeting members of the forum visited the proposed site for an indoor skating park at Jesters in Seaton Carew (a small former seaside resort, adjoining the town, and within the boundaries of the local authority). They also visited the existing outdoor skate park in Mill House. During the main part of the meeting the issue of whether to pay a company public money to allow them to buy equipment in exchange for the development of this facility/service in the town was contested in the forum. Some members felt that if there was such a high level of demand for skating a private company should be able to obtain a loan from a bank, rather than requesting public money. Others saw the development of this kind of facility in the town, in which the company would provide free sessions for the town's residents and the council would retain ownership of the equipment for five years, as a reasonable return on the grant. A key consideration in relation to these discussions was that the council had no way of financing the development of an indoor skating site from its own resources based on current financial planning⁷³.

During the meeting the forum reacted to a recent article in the local paper concerning allegations that the owner of the company had failed to pay rates to the council in the past. The council's chief accountant indicated that more work was required in the appraisal process to assess the company's viability for the use of £35,000 of the council's reserves, and that further information would be provided on this. Consequently, the meeting was adjourned.

The meeting of the Forum was reconvened on the 18th November 2002. It was established that the owner of Trans Pennine Group had managed four companies that had all operated for less than two years. Furthermore, these companies managed by the owner of Trans Pennine Group owed the council approximately £60,000 in rates. Consequently, the forum recommended that the council withdraw the proposal to provide a grant to this company from the council's reserves. The recommendation was largely based on the financial record of the manager of the company; it was argued there was no guarantee that the Jester's skate park would continue to operate based on the track record of previous businesses under the

⁷³ The notion of reprioritising the council's finances to construct its own skate park was explored later in the inquiry.

management of the company. During the meeting some issues in relation to the broader remit of the inquiry were highlighted including that the site was located out of town, which posed a problem for young people to reach it, especially those from poorer families. In addition some members of the forum were unconvinced that the proposed development of an indoor skate park would dramatically reduce the level of street skating.

Council Meeting: 21st November 2002

At this meeting the council supported the recommendation of the C&LSF that £35,000 of the council's reserves should not be allocated to the Trans Pennine Group.

Meeting Four: 12th August 2003

The skateboarding inquiry reopened close to the start of the next municipal year. At this meeting the inquiry was thoroughly re-scoped. A background to the issue was provided, along similar lines to the information provided in the previous year, but with a more explicit focus on the youth culture surrounding skateboarding. The following terms of reference were approved by the forum at this meeting:

- To examine the nature, extent and impact of skateboarding in Hartlepool.
- To look at current skateboarding provision – does it meet needs? Is it sufficiently resourced?
- How might any further need be met?
- To estimate where possible the costs incurred by the council and other relevant agencies in dealing with these issues.
- To make recommendations for appropriate action by the council and other agencies.

During discussions between members of the forum a distinction was made between the two basic types of skateboarding i.e. *street scene* and *extreme*. The former basically involves skateboarding on the streets, incorporating the built up environment into the activity, whilst the latter requires the more specialist ramps and equipment that are provided in skate parks.

Officers emphasised that it should not be assumed that if more skate parks were built then street skating would cease.

The forum was informed that the Tees Valley authorities were in the process of exploring the possibility of entering into a partnership for the provision of a mobile skate park. There were ongoing discussions amongst partner authorities about the potential to utilise New Opportunities Funding (NOF) for the development of this park. Outlined below are the initial views of the forum in relation to entering into a partnership arrangement for a mobile skate park:

Pros:

- It was versatile
- It might be used both indoors and outdoors
- It could be placed around the Borough at a variety of sites

Cons:

- There was a large population on Teesside to share this facility with
- If there was only one mobile skate park provided then each Borough would have very limited use.
- How would young people be notified where the facility was going to be and when? This might be overcome by a regular timetable.

Costs:

- Employment costs
- Members wanted to ensure that the benefits of this park would outweigh the costs.

Meeting Five: 19th August 2003

At this meeting the forum focused on the proposal for the development of the mobile skate park. An officer from Darlington Council attended the meeting and presented a report on the proposed mobile skate park. The concept of the project was outlined and included: a

doorstep service or centrally located provision; a targeted resource at the disposal of Tees Valley partners; an initiative which tests boundaries; and an approach which balances the risks of a fad style activity. The costs of the project were estimated at between £6,000 and £10,000 p.a. assuming all five of the Tees Valley authorities participated. In return local authorities were getting a flexible service for ten weeks a year. Stage 2 submission to the NOF was required by 1st September and Darlington as the lead authority was developing a business plan. A commitment or withdrawal from the scheme was requested before the Stage 2 submission was made. Hartlepool could respond indicating that it is not committed at this stage but this would compromise the business plan and may jeopardise the scheme for other Tees Valley authorities. It was agreed that members of the forum would visit a mobile skate park owned by Sedgefield Borough Council to inform them of how a similar facility was operating.

Meeting Six: 16th September 2003

The purpose of this meeting was to form a response to the issue of the mobile skate park. Members of the forum agreed that a response would be provided to Darlington council in relation to this by the end of September⁷⁴. In order to do this a response to the mayor's portfolio meeting on the 25th September was required.

Following a site visit to Sedgefield's mobile skate park on 27th August the director of community services brought a report to the forum summarising the findings from the visit, which was discussed in the meeting. The following issues arose:

- The mobile skate park that the forum visited was of interest primarily to beginners rather than intermediates or advanced skateboarders. Consequently there was some concern that mobile skate parks would not cater for all needs across the town.⁷⁵
- There were logistical problems associated with coordinating the scheme around the Tees Valley area.

⁷⁴ This represents a 'slippage' from the timetable outlined by Darlington Council at the previous scrutiny meeting. However, the original date provided to the forum represented a very tight turnaround time for the authority to sign up to this scheme.

⁷⁵ This was borne out by local skaters attending the meeting of the forum.

- If any of the five local authorities were to withdraw from the scheme there would be increased availability to the remaining authorities but costs to each would rise in accordance with this.
- The length of time taken for setting up the mobile skate park was a concern (about 1 ½ hours with four members of staff in Sedgefield – the Tees Valley scheme had been costed with two members of staff, consequently set-up time would be longer).
- Many residents might be in favour of a mobile skate park so long as it was not in their area.

Additional information in the form of a survey of 47 young people's views in relation to further provision for skating in the town was tabled at the meeting by the director of community services. Only 7% of those questioned wanted a mobile skate park, 39% thought the Mill House skate park should be improved, and 39% thought other skate parks should be built around the town. The remaining 15% had other ideas for what the council's priority should be in relation to skating.

One issue that was of concern to members and was also identified by skateboarders was the supervision of the existing skate park. The cost of supervision has been estimated as follows:

- £17,000 for 2 x Youth Workers – spring bank holiday and summer 6 weeks.
- £50,000 for 2 x Youth Workers – Easter holidays to October half-term (this provides for early evening and weekends in school terms and full time in holidays).

Members of Hartlepool Skateboarding Association (HSBA) attended the meeting, supported by Hartlepool Community Network, and tabled a brief report on young people's views on skateboarding. Members of the HSBA present at the meeting indicated that they were not in favour of a mobile skate park.

The C&LSF's recommendation to the mayor was to advise not to proceed further with a mobile skate park. The recommendation of the forum was unanimous. At his portfolio

meeting on 25th September the mayor concurred with these views and decided not to participate, although the option of hiring the facility for one-off events was identified as a possibility in the future.

Site Visits: 26th September 2003

On the 26th September members of the forum and some skaters visited two indoor skate parks in the sub-region in Redcar and Thornaby. Both these parks provided far more challenging ramps for skaters to use than those available in Mill House or on the mobile skate park. The managers of both parks told members of the forum that the sub-region was already over-subscribed with these types of facilities. Whilst they had a vested interest in minimising competition within the region, it was accepted by the forum that there were probably already enough large indoor facilities surrounding Hartlepool. Both managers were interested in working in partnership with the council to provide cheap/free sessions for Hartlepool skaters⁷⁶.

Meeting Seven: 14th October 2003

The purpose of this meeting was to present the issues arising from the forums' inquiry into skateboarding, and for members to consider and advise the council on its future response to skateboarding issues. During the meeting members of the forum were presented with the following options:

- **Continue the Inquiry**
- **Do Nothing** – It was proposed that this option might be chosen by members if the forum felt that sufficient was already being done through the existing skateboarding facilities in the town. Alternatively, the forum might choose this option if members concluded that there was a need to do more, but weighed against other council priorities, it was not thought to be a priority.

⁷⁶ This is explored further in meeting seven.

- **Improve Mill House** – the results of a questionnaire of local skaters found that 34% of the 71 respondents⁷⁷ felt that this was a priority. Areas for improvement included supervision (50%), making the site bigger (38%), and the most popular suggestions made were for better equipment (62%).
- **Develop more Outdoor Sites** – sites such as this would replicate the availability of the existing Mill House site, in terms of being used mainly during spring and summer. There was also the additional consideration of supervision costs for outdoor sites.
- **Collaborate with an Existing Indoor Site** – on the 26th September members of the forum visited indoor skate parks in Redcar and Thornaby. Managers of both parks were keen to enter into partnership arrangements with the council. The park in Thornaby offered the council the opportunity of entering a collaboration offering free sessions in exchange for a subsidy. Based on 5 Authorities sharing, this would cost £600 per week for Hartlepool or £31,200 per year. The Redcar facility was interested in pursuing a similar arrangement but had not developed a financial plan for this as yet. The skaters attending the site visit preferred the Redcar park, but this was located nearly twice as far away from Hartlepool as the Thornaby facility.
- **Develop an Indoor Site in Hartlepool** – This would undoubtedly be the first choice for many skateboarders/in liners and BMXers in Hartlepool. The council's role in an indoor facility could either be as a facilitator, as a partner or as an operator. The two main difficulties with this would be cost and competition. Figures from Thornaby indicate that the cost may be in the region of £156,000 per year. Any Hartlepool facility would be competing for users throughout the area. Some members raised, at a previous meeting, the possibility of Hartlepool becoming a flagship for extreme sports and to market part of its regeneration drive around this concept. This indeed would be an exciting prospect for many young people, but would require considerable commitment from the council to achieve.
- **Focus on Sports Development Aspects** – The above options are largely facility driven. A different approach would be to focus on the individual and their needs, utilising existing facilities and targeting resources at personal development. This could be achieved through, for example, visiting professionals demonstrating jumps

⁷⁷ This had increased from 47 at the time of the previous meeting.

and tricks. They could also be involved in training and mentoring programmes. Or, groups such as the HSBA could be further encouraged and assisted in their development, to the point where they could apply for grants for new equipment, supervision or other measures.

The forum was asked to consider whether:

- (i) There is a need to further improve in line/skating/BMX provision in the town and, if so, is it a council priority to respond to this?
- (ii) If it is a council priority to respond, there will be resource implications. Is the priority to improve existing outdoor sites, explore indoor options, focus on sports development or all three?

The forum agreed the following recommendations to the mayor and cabinet:

(i) Short Term

In the short term it was recommended that Mill House be looked at in terms of improvement with priorities on supervision. There should be consultation with local residents as part of this process.

The Hartlepool Skateboard Association should be encouraged and supported where possible.

(ii) Longer Term

In the longer term the recommendation was that subject to resources, that development of the sport with grants, scholarships and competitions etc should be pursued.

In addition it was recognised that there was a need for some reasonably decent facility, preferably indoors, for young people to pursue their sporting interests.

Having checked the cabinet's minutes and agenda for over a year following the C&LSF agreeing its final report, I have found no record of this decision going to cabinet. In my role as an insider researcher I would not normally attend cabinet for a matter such as this. However, the fact that it only came to my attention when writing up the case study suggests that the tracking of decisions within scrutiny officer support was somewhat lacking at the time of this inquiry. There are a number of factors that could have contributed to this including; under staffing of scrutiny, staff illness, and a lack of ambition about the executive implementing scrutiny's recommendations. However, it is unacceptable for scrutiny recommendations not to be presented to the decision making body⁷⁸, and this further undermines non-executive councillors faith in the new political management structures. Scrutiny is, also, intended to be a member-led process, so members of the forum must also accept some responsibility for not chasing up the recommendations they made to the executive, during the final phase of the inquiry.

7.6) Discussion

Understanding the challenge of governing today requires a recognition that decision-making has multiple locations, both spatial and sectoral, and is driven by a complex interplay between these (Stoker 2004:153). Stoker argues that by pursuing partnerships New Labour has embraced governance. The skateboarding inquiry clearly demonstrates the local authority operating in a governance context in this respect, which in turn demonstrates the links the government has attempted to encourage through the modernisation agenda to governing in governance. As the government argued in *Modern Local Government: In Touch with the People*:

Successful council's priorities are to lead their local communities. They organise and support partnerships to develop a vision for their locality, and to contribute to achieving it...They involve and respond to local people and local interests. Their relationship with local business and other interests is strong and effective...It is these councils, in partnership with Government and others, which

⁷⁸ Ultimately, the scrutiny manager (at the time) must take responsibility for this.

are able to make real improvements to the quality of people's lives. (DETR 1998:12)

The skateboarding inquiry 'ticks' a lot of these boxes in terms of the way the local authority and scrutiny approached the issue of skating in the town. Through scrutiny the council sought to involve and respond to local people and their interests, and the council (through the mayor, scrutiny and officers) built up relationships with business and other interests (i.e. neighbouring local authorities). However, in practice there were a number of imperfections in the system, which made the potential to make *real improvements to the quality of people's lives* somewhat harder to achieve. By this I mean that the partnership arrangements on offer to the local authority did not provide a sufficiently enticing outlet for the council to extend its skateboarding service provision, when measured against the council's other priorities and overall vision. Nevertheless this case study demonstrates the importance of local authorities seeking to develop partnership arrangements for delivering services and responding to increasingly complex public demands.

The skateboarding inquiry began at the start of the 2002/2003 municipal year in response to growing public interest in skateboarding activities that were increasing around the town. In addition a skate park had recently opened in the town. The interest in skateboarding was twofold i.e. some sections of the community thought that street skaters were a nuisance, and in addition further provision was required for skaters in the town. These two strands are not unrelated, but neither are they causally linked. Some people wanted to see an end to skateboarding on the streets but were not in favour of further service provision for skaters. Whilst, other people wanted further provision for skateboarders but did not expect an end to street skating. Councillors in the C&LSF were clearly responding to their community leadership role here by responding to an issue of public concern.

Once the scrutiny inquiry was underway the forum had to refocus its attention twice as a result of referrals from within the authority. Firstly, the issue of whether to confer £35,000 of the council's reserves on a private company was referred to scrutiny. The impact of this on the ongoing scrutiny inquiry into skateboarding was quite significant because the initial process was overtaken, and largely left behind, as the reserves issue became the focus of

the inquiry. Secondly, once the inquiry had reopened in the following municipal year another referral, this time about the proposed development of a Tees Valley mobile skate park, disrupted the scrutiny process. Nevertheless, the referrals suggest that senior officers and the executive were eager to work with scrutiny in relation to this issue. However, paradoxically, these referrals distracted from the original policy development role the scrutiny forum had scoped for itself. The tight timescales that the scrutiny process worked within reflect the pressures of acting within a system of governance that means that local authorities cannot act in isolation of broader pressures and timetables. In certain respects the scrutiny process here was reflective of the governance system. Through reacting to events and opportunities in a short-term fashion, there was little opportunity for the scrutiny process or the council to take a step back and develop a holistic policy.

The drivers for the modernisation of local government are represented here through the need to join up responses to issues around skateboarding in the governance system so as to be able to achieve a more positive impact for the local community. The enhanced role of local governance is reflected here in the two basic arguments Perri 6 et al (2002:34-45) cite for joining-up the complexities of governance. These are; firstly, complex challenges require input from a variety of sources to be met, and secondly, joined-up problems rarely follow the bureaucratic demarcations of government. This is demonstrated through the skateboarding inquiry in that, firstly, the local authority alone did not have the resources to respond to this issue, and therefore was involved in partnerships, and discussions about partnerships, with a variety of sources. These include neighbouring local authorities, specific grants such as the NRF and NOF, and proposed partnership arrangements with local businesses. Secondly, the variety of sources seeking, or being sought by, the local authority for partnerships in response to the emerging youth culture of skateboarding suggests that a more diverse social culture is emerging, in which there are more complex leisure activity requirements for the local authority to fulfil, and also a variety of (potential) partners who are keen to enter into this area.

Through approaching the inquiry in an in-depth investigative fashion, the scrutiny process held external partners to account in relation to this issue as evidence was gathered. The most notable example of this was the Trans Pennine Groups' failure to pay rates. However,

whether this would have come to the attention of the C&LSF without an article appearing in the local paper is debatable. Furthermore, during the latter stages of the inquiry the forum made links to the Hartlepool Community Network and the HSBA, who usefully informed the scrutiny inquiry further. Generally, therefore, the role of scrutiny to bring openness, transparency and accountability to the wider processes of governance was fulfilled in relation to this issue, in terms of mapping the horizontal (local) processes of governance.

However, scrutiny was less successful in extending its values to the vertical governance arrangements for this issue than for horizontal governance arrangements. The role of central government grants, such as the NRF and NOF, proved to be a subtext to the inquiry that was drawn on only to a limited extent by the forum. Wilson and Game (2002:192) note that specific grants must be spent on specified projects or services, and these have steadily grown as a proportion of central government's contribution to local government funding. They argue that these forms of grants provide central government with greater control over local authorities' actions in comparison with central grants. The effect of what one councillor imaginatively called 'funny monies' was not an explicit focus of the inquiry, and yet the allocation of a specific grant from the NRF provided the council with an opportunity to develop limited and imperfect skate park provision that skewed much of the debate over future provision i.e. the town has one skate park as a result of NRF funding, which has not resolved the issue the council was responding to through the use of this funding. Furthermore, during the inquiry the allocation of an NOF grant was discussed by the forum for the development of a joint mobile skate park across the sub-region. The forum decided that the council should not pursue this option. It is interesting to note, however, that the council may have been able to use the combined money from these two grants in a more holistic fashion if they had been allocated in a less specified and time limited manner. However, the forum did not pursue the impact of the allocation of specified grants on skating provision within the town. This may be because members of the forum felt there was little that could be achieved in scrutinising the allocation of these grants, and because cash-strapped local authorities are unlikely to turn down any/many types of funding.

The skateboarding inquiry is an example of the flexible nature of the scrutiny process being able to *seek out* and make connections with public aspirations in relation to skateboarding issues. The C&LSF tapped into the growing momentum created by public opinion, and became the council's outlet for responding to the concerns raised by the public. The C&LSF benefited from having the *ear* of the executive, and the mayor⁷⁹ in particular, during the scrutiny process. This is demonstrated through the acceptance of some of scrutiny's early recommendations by the executive. The powers and resources of scrutiny to fulfil the expectations of those involved in the scrutiny process were certainly enhanced through the close links to the executive in relation to this issue. However, the extent to which some members of the forum wanted to fulfil the expectations around skateboarding was questionable. For example, the then chair of the forum commented during a site visit, 'we must be seen to listen to all the evidence, and then say no,' in relation to proposals for an indoor skate park. However despite this somewhat prejudicial approach there were sound arguments against accepting any of the partnership arrangements on offer to the council, namely that there was not deemed to be sufficient demand for skateboarding for the council to seek to develop these and the partnerships on offer did not represent value for money. So whilst scrutiny engaged reasonably effectively with interested parties in relation to this issue, the constraints of local government funding, and the complexities of entering into the partnership arrangements on offer, meant the potential for scrutiny to add value to this issue in terms altering the council's service provision was limited from the outset.

However, scrutiny could be said to have contributed to evidence-based non-decision making. During the initial phase of the inquiry the recommendation that the council did not allocate its reserves to the Trans Pennine Group was accepted. Secondly, the recommendation of the forum to the mayor's portfolio that the proposed partnership arrangements for a Tees Valley mobile skate park should not be pursued, was also accepted by the mayor. The recommendations from the final report of the inquiry were not reported to the executive. It could be argued that the recommendations were 'loose' commitments to enhance the development of skating in the town. Recommending that *improvements need to be looked at* is far too open ended an approach for ensuring that the executive and officers will have to follow the recommendations of scrutiny or justify why they are not.

⁷⁹ From his commitment to youth and leisure issues in the town.

The lack of formal powers for scrutiny means that recommendations need to be worded very carefully. However, the fact that there is no record of these recommendations going to cabinet up to a year after scrutiny concluded its inquiry is a significant weakness of this inquiry, which should be overcome through a more robust and systematic approach to tracking recommendations and monitoring decisions and their implementation.

7.7) Conclusion

Scrutiny exerted a fairly strong influence over determining the outcomes of local governance in relation to skateboarding in Hartlepool. As a result of the skateboarding inquiry members remained unconvinced as to whether further leisure service provision, in relation to this issue, would seriously reduce the numbers of street skaters. Having explored the various partnership arrangements on offer the forum chose to offer a loose recommendation of potential future support to skateboarders, rather than recommending significant changes to the council's leisure service provision. As has been discussed earlier the links between scrutiny and the mayor for this case study topic were good, consequently the recommendations of scrutiny were generally accepted. The local authority can be seen as the key actor in the governance system for this issue. This is because all the proposed developments for skating required the local authority as a partner. The local authority may not have been able to deliver this service alone, but nor could the partner organisations. Indeed this case study reflects the importance of local authorities in localities to businesses and communities. Given the importance of the council in relation to this issue and the strong position of scrutiny within the council, it can be argued that the influence of scrutiny was strong within the governance system.

8) HEALTH INEQUALITIES INQUIRY

8.1 Introduction

The health inequalities case study has a notable relationship to the core research problematic of this thesis, namely of the possibilities and limitations of local government scrutiny within the local governance system. The Health and Social Care Act 2001 introduced new powers⁸⁰ for Overview and Scrutiny Committees (OSCs) in relation to the NHS and NHS bodies. As a result the health scrutiny function creates a unique position for local authorities in the governance system because of the more formalised external scrutiny role these powers create. Consequently, this case study explores the implementation of a theoretically significant development of the local government modernisation agenda and scrutiny function, in relation to the governance system.

This case study is concerned with the extent to which the first in-depth scrutiny inquiry, to take place in Hartlepool under the new health scrutiny powers, succeeded in this new governance role. The first section of the case study focuses on the background to, and purpose of, the inquiry. The role of the scrutiny exercise will then be explored against the five roles that scrutiny is commonly held to undertake, and some new roles for scrutiny in the governance of health are suggested. This will be followed by an examination of the governance actors involved in the inquiry and an overview of the conduct of the inquiry. Finally the findings from the scrutiny cases study will be discussed in relation to the core research problematic.

8.2 Background and Purpose of the Inquiry

The NHS Plan (2000) introduced the notion of local authority scrutiny of health by stating, ‘local authorities are an important democratically elected tier of government. As they modernise, they will become more effective channels for the views of local people.’ Under the Health and Social Care Act 2001 and the Local Authority (Overview and Scrutiny Committees Health Scrutiny Functions) Regulations 2002, NHS bodies have opened up to a

⁸⁰ These are outlined below.

degree of accountability from locally elected representatives. Under the Statutory Instrument No. 3048 (2002:Para 2.1), ‘an overview and scrutiny committee may review and scrutinise any matter relating to the planning, provision and operation of health services in the area of its local authority.’ According to the statutory guidance an OSC may make reports and recommendations to local NHS bodies and to its local authority on any matter it has reviewed or scrutinised. An NHS body must respond in writing within 28 days to an OSC requesting a response. In addition local NHS bodies must consult with OSCs over substantial developments, or variations in the provision of services and OSCs can refer these matters to the Secretary of State if they feel it is necessary (Statutory Instrument 2002 No. 3048). Consequently, the new power of health scrutiny will, according to the Department of Health (2003b:39), ‘enable councillors to scrutinise how local needs are being addressed, how health services are run and how they can be improved. It also provides an opportunity for local councillors to offer practical solutions or ways forward.’ This provides scrutiny with a broad remit to scrutinise the NHS, although there has been no additional direct resourcing from central government to fulfil this role.

According to the Government’s consultation on the draft regulations for the health scrutiny function, the focus of scrutiny should be on health improvement in the widest sense, building on the powers of local authorities to promote social, environmental and economic well-being (Department of Health 2003a). The consultation exercise stresses further the role of scrutiny in scrutinising the local health system or economy rather than just the services provided, commissioned or managed by the NHS. Consequently a local authority’s power to scrutinise health should be seen in the context of their role in community leadership and local partnership (Ibid). However, the extent to which these roles are fully understood by the majority of councillors is questionable, and is a theme that shall be returned to later in the chapter.

The role of OSCs is not to become experts, but to ask challenging questions as elected lay representatives of their communities (Department of Health 2003a). The government’s consultation around health scrutiny moves on to stress that early scrutiny reviews should focus on topics that are not technically complex but will suit a developmental approach. However, the guidance also suggests a general role for scrutiny in the local health

economy, consequently in Hartlepool there was some confusion about the best way to approach health scrutiny in its early stages.

The health inequalities topic was chosen for a number of reasons. Firstly, Hartlepool is a town with considerable economic deprivation and poor health outcomes, as a result the issue of health inequalities was particularly salient. Secondly, the government has an active health inequalities agenda that given the deprivation in Hartlepool is particularly relevant to the town. Thirdly, given the relevance of the topic locally, and the cross-cutting nature of the issue, it was felt that it would provide a good introduction to the health service and partnership working in relation to a key health issue, and consequently the inquiry would provide an overarching introduction for health scrutiny. Part of the initial purpose of the inquiry was to familiarise councillors with the workings of the health service, and as a result a learning and development role was stressed from the outset of the inquiry.

Background to Health Inequalities

The health inequalities inquiry is distinctive amongst the scrutiny case studies because the governance issue is situated within a far more developed policy framework than any of the other issues. Much of the health inequalities debate in the UK can be traced back to the Black Report (1980) on *Inequalities in Health*, which was commissioned by the Callaghan government, and largely suppressed by successive Conservative governments. As Wistow (2001:339) argues, ‘the first two Thatcher administrations failed to acknowledge relationships between individual health and factors in the economic, social and physical environment, not least because to do so would imply an acceptance that inequality in income and labour markets were associated with inequalities in health.’ Sir Donald Acheson’s (1998) *Independent inquiry into inequalities in health* was commissioned soon after the 1997 election to review and update the evidence covered by the Black Report as the New Labour government sought to make health inequalities a key strand of their health policy. The general conclusion of this report was that, ‘for many aspects of health, inequality has generally worsened in the last few decades, especially in the 1980s and early 1990s’ (Secretary of State for Health 1999 para 4.5).

The Green Paper *Our Healthier Nation* (Secretary of State for Health 1998) and the White Paper *Saving Lives* (Secretary of State for Health 1999) promised to deliver more accessible and continuously improving services, while also focusing on ill-health and inequalities. The issue of access to care in relation to health inequalities is an important one, a good example of which is the ‘inverse care law’, introduced by Taylor-Hart in 1971, which argues that the availability of good medical care tends to vary inversely with the needs of the population being served. In addition to deprivation factors, access to health services can relate to geography, in terms of the differing policies for specific treatments in different areas, which leads to criticisms of the NHS for generating a ‘postcode lottery’ for certain treatments (Baggott 2004:194). There is a clear role here for scrutiny to pursue how local needs are being met, and to suggest improvements where appropriate.

The *Saving Lives* White Paper (Secretary of State for Health 1999:para 1.4) indicates that individual behaviour is often vital to health, but stresses that, ‘poor health can spring from a complex interaction between the genetic make-up and behaviour of individuals and social, economic and environmental factors in the community.’ Consequently, the government (Ibid para 1.7) adopted an approach which involved working across government to ‘attack the breeding ground for poor health – poverty and social exclusion.’ This theme was developed further in the subsequent cross-cutting review on health inequalities (Department of Health 2002:2):

Health inequalities follow a social gradient, with the health gap increasing steadily with poorer social class. Because of this gradient, and the distribution of the population in the different social groups, analysis shows that interventions must reach more than the most deprived areas and the most disadvantaged/socially excluded populations to meet the national targets and make progress on health inequalities more generally. (Department of Health 2002:2).

Much of the government’s early work around health inequalities led to the Department of Health (2003) producing *Tackling Health Inequalities: A Programme for Action*. The document seeks to set out plans to tackle health inequalities over three years, and

establishes the foundations to achieve the national public service agreement (PSA) target for 2010 to reduce inequalities in health outcomes by 10 per cent as measured by infant mortality and life expectancy at birth (Department of Health 2003:3). To achieve this goal the government set out four themes:

- Supporting families and mothers;
- Engaging communities and individuals;
- Preventing illness and providing effective treatment and care; and
- Addressing the underlying determinants of health (Department of Health 2003:10).

Working across these themes the government's has sought to encourage the creation of, 'strong local partnerships with local authorities, health authorities, and other agencies to tackle the root causes of ill-health in places where people live' (Secretary of State for Health 1999 para 1.7). Thus, local authorities have a key role in tackling health inequalities which, by definition, makes the topic a legitimate one for the scrutiny of their internal functions. In addition, the community leadership role, with its emphasis on the well-being of local residents, places a clear responsibility on councils to examine the impact of health inequalities locally.

8.3 Role of Scrutiny

The health inequalities inquiry operated across three of the five roles scrutiny is commonly regarded to fulfil: policy development; policy review; and external scrutiny⁸¹. Under the remit of the inquiry (which is outlined below) the work undertaken by the forum was intended to draw on the policy review and external scrutiny roles, and then using the evidence gathered here move on to the policy development role.

However, because the health scrutiny function grants formal powers to local authority overview and scrutiny committees (in an external scrutiny capacity) it is possible to move

⁸¹ For this inquiry there was no scrutiny of the local authority's executive. Since the inquiry finished a public health cabinet portfolio has been created, and scrutiny is seeking to establish links with this. The creation of this portfolio is linked to the appointment of a joint director of public health by the PCT and HBC, which reflects the need for partnership working and arrangements for public health issues.

away from the traditional categorisation of scrutiny roles and focus more on the role of scrutiny in the local governance system. Consequently, given the context of the inquiry, explored in the background and purpose of the inquiry above, it is possible to identify five additional roles for health scrutiny:

1. to scrutinise internal local authority contributions to the reduction of health inequalities;
2. to scrutinise the work of local NHS bodies in addressing health inequalities;
3. to scrutinise partnership working between local authority, NHS and other bodies in this field;
4. to assess the impact of all these activities on health outcomes for local people; and
5. to make recommendations to the appropriate bodies in relation to scrutiny findings derived from the four roles above (Wistow and Banaras 2005:37).

8.4) Governance Actors Involved

The key governance actors for this inquiry were:

- **Hartlepool Primary Care Trust** – Around 300 Primary Care Trusts (PCTs) were formed in 2002. They have emerged out of the primary care groups formed in 1999. From April 2003 PCTs have directly controlled 75% of the total NHS budget (Department of Health 2003c:15). According to Ham (2004:168) PCTs have three main functions, which are to improve the health of the community, develop primary and community health services, and commission secondary care services. The PCT has a role in improving the overall health of the populations they serve and also the requirement to reduce health inequalities that exist within that community (Hartlepool PCT 2005:5). Consequently, it was the first port of call for the scrutiny inquiry out of the potential health service witnesses. Representatives from the PCT provided evidence to the forum at the fourth and fifth meetings of the inquiry. The earlier meeting involved a general overview by the Acting Director of Public Health

into the incidences of inequalities in mortality from CHD and cancer in the town, the causes of this and some approaches to reducing inequalities in relation to these. The second meeting with the PCT focused more on the preventative and health promotion work being undertaken by the PCT and its partners locally.

- **North Tees and Hartlepool NHS Trust** – in 2004 there were around 280 NHS trusts in England. The NHS trust in Hartlepool is responsible for acute hospital services. According to Ham (2004:167), ‘the income of trusts derives from service agreements negotiated with PCTs and other commissioners and they are expected to deliver care to the specifications contained within these agreements.’ Due to the inquiry being put on hold indefinitely the NHS trust was not involved in this scrutiny exercise. However, the forum had intended to explore the role of the trust in developing and improving cancer and coronary heart disease services.
- **County Durham and Tees Valley Strategic Health Authority** - The creation of 28 strategic health authorities (SHAs) in 2002 was designed to distance health authorities from service planning and commissioning in order to allow them to lead strategic development of the local health service (Ham 2004:165). The health authority is responsible for creating a coherent strategic framework, performance managing the local NHS and ensuring appropriate development support to performance improvement. It provides the link between the Department of Health and the NHS, and between national priorities and local plans. Again, due to the inquiry not reaching a conclusion by the end of the municipal year this body was not involved in the inquiry. However, given the responsibilities of SHAs for developing local health strategies for health services and ensuring high-quality performance (Department of Health 2003c:14), it had been proposed that the forum may have wished to explore the role of the SHA in linking national health inequality priorities to local plans and services, and also whether Hartlepool is receiving the correct balance between health promotion, disease prevention and treatment and care in the strategies it is producing.

- **Hartlepool Borough Council** – tackling health inequalities should be a priority for local authorities as they are expected to contribute to the public service agreement (PSA) to reduce inequalities in health outcomes by 10% by 2010, as measured by infant mortality and life expectancy at birth (Department of Health 2003b: para 5.8 and 1.8). Furthermore, the power of local authorities to promote the well-being of their communities is a key role that links the health inequality agenda to local authorities. Indeed promoting healthier communities and tackling health inequalities is one of seven shared priorities agreed between central and local government (Department of Health 2003b:40). Furthermore, the duty on local authorities to prepare community strategies connects their PSA priorities and well-being powers to partners in the local governance system. At the sixth meeting of the scrutiny inquiry a presentation on the role of the local authority in relation to this issue was provided to the forum.
- **Hartlepool Partnership** – within the objectives of the community strategy for the LSP there is a commitment to reduce health inequalities in Hartlepool. The cross-cutting nature of the contributory factors leading to inequalities in heart disease and cancer fits well with the role of the LSP in bringing services closer together to improve the way they are provided. Consequently it was recommended on 20th April 2004 that the role of Hartlepool Partnership was examined in relation to reducing inequalities in heart disease and cancer. This was to take place in the following municipal year but because the inquiry was put on hold it is uncertain whether this item will return to scrutiny in the foreseeable future.
- **The North East Public Health Observatory (NEPHO)** – OSCs have been encouraged to establish links with public health observatories and use them to support the scrutiny process.

During the meeting on 20th January 2004 NEPHO outlined that under *Saving Lives: Our Healthier Nation* the role of public health observatories were to:

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- Monitor health and disease trends and highlight areas of action;

- Identify gaps in health information;
- Advise on methods for health and inequality impact assessment;
- Draw together information from different sources to improve health; and
- Carry out projects to highlight particular health issues.

Of particular interest to this scrutiny inquiry, public health observatories are also concerned with:

- Evaluating progress by local agencies in improving health and cutting inequality; and
- Looking ahead to give early warning of public health problems.

Representatives of NEPHO attended the third meeting of the inquiry. They identified two major causes of mortality in the town that were adopted as the focus of the inquiry. As external expert witnesses they proved to be an effective tool for scrutiny officers and members alike to call into the scrutiny process to provide background data and narrow the focus of the inquiry to a more manageable size.

8.5) Conduct of the Inquiry

The health inequalities inquiry took place across five meetings throughout the 2003/4 municipal year, and one further meeting at the start of the 2004/5 municipal year. An important factor in relation to the conduct of the inquiry was that a significant number of meetings were ‘lost’ to other items coming onto the health and social care scrutiny forum’s agenda under the new health scrutiny role⁸². This stretched members’ and officers’ capacity and shifted the focus away from the health inequalities inquiry at times. Furthermore, a critical factor in the conduct of the inquiry was that it was not completed during a single municipal year. This was compounded by ‘all-out’ elections being held at the end of the 2003/4 year, through which the membership of the forum changed more than would normally be the case. Furthermore, a new scrutiny framework was introduced for

⁸² This included a closure to a GP surgery and a review of the sub-region’s hospital services, which involved the possibility of the closure of the local hospital.

the start of the 2004/5 municipal year. This was the result of scrutiny officers looking to strengthen the scrutiny process, through increasing councillor engagement in, and ownership of the process, and by providing a redesigned seven stage scrutiny process for the conduct of inquiries. Of particular relevance to this case study was the introduction of an annual joint scrutiny meeting for the selection of scrutiny topics.

Meeting One: 5/8/03

During this meeting members of the forum were presented with a number of potential topics to select their first in-depth scrutiny inquiry from, under the new health scrutiny powers. These topics had been generated during discussions at an earlier scrutiny workshop involving all local health partners. The list of topics included: health inequalities in Hartlepool, services for older people, transport to health services, access to primary health care, drug abuse services, and health promotion/ill health prevention. The lead scrutiny officer recommended that a review of health inequalities should be the first scrutiny topic because the government (Department of Health 2003a:12) had identified this as one of the major tasks for health scrutiny bodies. In addition a review of the relevant information on health in Hartlepool, in relation to health inequalities, would provide the forum with a sound background upon which future inquiries could be based. Consequently, the forum agreed to pursue this scrutiny topic.

Meeting Two: 18/11/03

The purpose of this meeting was to scope the issues around health inequalities, and to explore how the inquiry should be conducted. Members of the forum were provided with background information about the national health inequalities agenda. This included Department of Health evidence on life expectancy in England between 1997 and 1999. Life expectancy in Hartlepool was 73.2 for males (compared with the national average of 75.2) and 78.3 for females (compared with the national average of 80.1). Consequently Hartlepool was ranked as 321st for males and 328th for females out of 353 local authorities for life expectancy. The high level of poor health outcomes is matched by high levels of deprivation in Hartlepool. Nine out of the seventeen wards in the town were in the top 10%

of deprived wards nationally, according to the DETR's 2000 Index of Multiple Deprivation (IMD) (Reilly and Eynon:2003). The remaining wards fell between 10 and 50% of the most deprived wards nationally.

Following a discussion about the information presented to the forum it was recognised that this was a complex and cross-cutting issue that required partnerships across government, local government and the NHS. In the report to the forum it was stressed that the cross-cutting nature of the topic would have implications for the inquiry, requiring a wide range of evidence from a number of bodies. Consequently, it was agreed that a more specific briefing into health inequalities should be provided at the next meeting, because of the size of the topic area and so that the focus of the inquiry could be narrowed down to a particular area of health inequalities.

In the meantime the Forum agreed that the term 'health inequalities' should be interpreted as covering:

- inequalities in patterns of disease and health outcomes; and
- inequalities in access to health services.

In addition the Forum agreed to pursue the inquiry using the following remit:

- **Public Health** – what is the evidence about the pattern of disease and health outcomes across and within the town?
- **Health Services** – does the level and supply of health services match the level and distribution of inequalities? Is there the correct balance between health promotion, disease prevention, and treatment and care?
- **Fair Access** – do people get access to the services they need, and at the right time?

The remit was intended to provide the forum with a progressive line of investigation through which to pursue the inquiry. Through organising the inquiry in line with the remit each of the bullet points represents a stage in the inquiry. The intention here was that by following this remit the forum would gain an understanding of the public health of the town

(in relation to a particular area of health inequalities), then scrutinise the services provided in relation to this, and then the forum would be able to conclude whether or not there was fair access to services in relation to this issue, and to make recommendations accordingly.

Meeting Three: 20/1/04

In preparation for this meeting council officers met to discuss how to focus the inquiry. It was felt (by officers) that the inquiry needed to be concentrated on a particular element of health inequalities in the town, and given the evidence on mortality rates provided to the forum at the last meeting, inequalities in mortality were chosen as the theme of the inquiry. It was also agreed by officers that the North East Public Health Observatory (NEPHO) should be approached to provide evidence to the next meeting of the forum about the pattern of disease and health outcomes in relation to this issue. Upon meeting with NEPHO it became apparent that there were two major causes of mortality in Hartlepool and that these would be presented to the next meeting of the forum.

At the third meeting of the inquiry representatives of NEPHO attended the meeting and presented more detailed information on mortality in Hartlepool. They confirmed that CHD and lung cancer were major causes of death in Hartlepool, causing two thirds of all deaths recorded in the 2001 Death Register. During discussions the links between the incidence of these diseases and deprivation were highlighted. Indeed, for lung cancer there was a marked difference in death rates between people from poor and affluent areas. Also for those living in deprived areas the death rate from heart disease was around twice as high as those living in affluent areas of Hartlepool. Furthermore, for areas of equal deprivation in the north and south, mortality from CHD and lung cancer was higher in the north. It was, therefore, agreed by the forum to narrow the focus of the inquiry to these two causes of mortality, and that a scoping report on these would be presented to the next meeting of the forum.

Meeting Four: 16/3/04

At this meeting a brief scoping paper was presented to the forum on the issues identified for further investigation at the previous meeting. The PCT's acting director of public health provided evidence to the forum on mortality resulting from CHD and lung cancer. He then highlighted the following issues during his presentation:

- Major inequalities existed for life expectancy in 2001 throughout the country, which are reflected in a ten year differential between men and a seven year differential between women from best to worst case scenarios.
- Hartlepool was the 18th worst PCT area in the country statistically in terms of life expectancy.
- The 1999/01 Standard Mortality Rates (SMR's) for selected causes of death demonstrate a 23% higher death rate for cancer in Hartlepool than the average.
- Lung cancer was generally high in Hartlepool but proved higher in women than men.

Members questioned whether the statistics for Middlesbrough were similar to Hartlepool. It was confirmed that the figures reflected those for the north east and the causes were highlighted as genetic, deprivation and poor lifestyles. A member questioned the poor levels of recruitment and retention of doctors locally and how this was being addressed nationally. Members were advised that there was a national cancer plan to address those issues and reference was also made to the Higgins Review, the purpose of which was to establish a specialist cancer unit in (nearby) Stockton, which it had been argued would make recruitment in the sub-region easier.

The acting director of public health indicated that the Hartlepool death rate was improving, although it continued to fall behind the national average by some 6/7 years. A member commented that although mortality rates were moving in the right direction they were still concerning and he made reference to the additional power and influence of PCT's to actually buy care in, and gave coronary artery bypass grafts as an example of this. The PCT suggested that there may be some evidence of an inverse care relationship in treatment for heart disease within the locality. For example Hartlepool has a similar number of incidences of mortality through CHD as Middlesbrough but had significantly less coronary

artery bypass grafts. At this stage this matter was not pursued by members of the forum⁸³. The acting director of public health informed members that Hartlepool PCT received additional funding for being in a high deprivation area, although the PCT received 2% less than the amount which would put Hartlepool in line with deprivation. This was viewed as a significant amount. Nevertheless, it was indicated that money was available to Hartlepool PCT for investment in new services and they were working to improve the balance between primary and secondary care.

Meeting Five: 20/4/04

During this meeting members of the forum were presented with information from representatives of Hartlepool PCT on how they plan and commission services to reduce health inequalities in relation to CHD and lung cancer. Given this was the last meeting of the municipal year a progress report on the health inequalities inquiry so far was also presented to the forum.

Representatives of the PCT provided evidence to the forum highlighting that a National Service Framework (NSF) guides the PCT for its CHD and cancer plans. Work on these topics is not the sole responsibility of the PCT or the health service; progress can only be made through strong partnership working with a multi-agency approach. A CHD Prevention Steering Group was established in Hartlepool towards the end of 2002, which has produced a CHD Prevention Strategy. Work to reduce health inequalities is targeted at the most disadvantaged wards through employing health development workers using the Neighbourhood Renewal Fund (NRF) and New Deal for Communities (NDC) funding. However, rather than questioning further the development of these governance arrangements members were concerned about the number of young people seen eating chips, and other fast foods outside of schools at lunchtime. Representatives of the PCT confirmed they were aware of the problem and had been encouraging catering establishments outside of schools to provide healthy options to children. There had been limited success here (a 'healthy diner' had opened in one area in the town) but determining the level of responsibility for children outside of school at lunchtime had been problematic.

⁸³ Although it was noted by officers with the intention of pursuing it further later in the inquiry.

Through Hartlepool Exercise for Life Programme (HELP) a series of activity programmes are run for people with, for example, health problems related to obesity and smoking. The funding for this project was due to end in a year and members wanted to be reminded of the end of this period closer to the date. The PCTs health development leader agreed that it was important that the forum should be informed about this matter, although a number of other funding sources were being looked into as a high priority to keep this project running. A Smoking Cessation Service has been running for the past four years, through multi-agency partnership working, providing drop-in clinics at a variety of locations and at a variety of times. The informal drop-in approach had proved to be very successful, with the numbers of people attending dramatically increasing, and Hartlepool was being looked at as an example of best practice by other areas.

The progress report on the health inequalities inquiry included a brief outline of the meetings that had taken place so far, and the key findings emerging from each of these. The report also included a section on the future conduct of the inquiry, in which Hartlepool Borough Council, Hartlepool Partnership, County Durham and Tees Valley Strategic Health Authority, and the North Tees and Hartlepool NHS Trust were listed as bodies to provide evidence to the forum at future meetings. It was agreed that gathering evidence from these bodies was an appropriate course of action for the inquiry.

Meeting Six: 5/8/04

This meeting was the second meeting of the forum in the new municipal year⁸⁴ following a break for 'all-out' elections in June. As a consequence of the elections the membership of the forum had changed, with about a third of the forum's members being new, although the chair of the forum remained the same. During this meeting members of the forum were presented with an updated progress report, to remind those members of the forum who participated in the inquiry during the previous year of the issues arising in the inquiry thus far, and to brief new members on these issues. The report was noted, and it was agreed that the inquiry should continue.

⁸⁴ The first meeting focused on the role of the forum, and a presentation on a new scrutiny framework being introduced across the authority's scrutiny forums.

A further report on the local authority's contribution to the health inequalities agenda was presented to the forum. Members were presented with, and accepted; the following interim conclusions on the local authority's role and services:

- Departments of the council are working together to deliver appropriate services to the people of Hartlepool. There is however no authority-wide policy or plan of action to guide health related activities. It was agreed there may be a role here for the new public health portfolio holder and the newly appointed joint (between the council and the PCT) director of public health and wellbeing.
- The council is working in close co-operation with a range of local and national organisations to develop and deliver services aimed at reducing health inequalities. Relationships with the Hartlepool PCT appear to be particularly productive.
- External funding from a wide range of sources has often been used to set up and run projects. As with other development projects, services are often set up using short term funding with no definite prospect of long term, mainstream funding. In some cases, e.g. a free swims programme, mainstream funding has been allocated. Other projects may rely on other organisations for long term funding which makes co-operative working even more important.
- Awareness of, and information about, activities and services in Hartlepool is not always readily available either to service providers or service users. This applies not only to council services but those of other bodies as well. Co-ordination of service planning and provision is obviously important but so too is co-ordination of publicity, information and access.

The intention here was that these interim conclusions on the local authority's role could be taken forward and combined with the forum's views on other service providers in relation to this issue. The forum would then have to determine whether the various service providers were providing fair access in terms of the balance of services geared towards reducing mortality through CHD and lung cancer. Because the inquiry was not concluded it is not clear whether the remit of the inquiry would have been successful in achieving this.

In Hartlepool a new *Scrutiny Framework* was introduced at the start of the 2004/5 municipal year. The framework was a response from scrutiny officers to a number of unfavourable reports (for example, from the CPA and District Auditor) and a general perception in the authority that the scrutiny function was not operating as it should be. Councillors involved in the scrutiny process continued to complain about their diminished role five years after scrutiny had been introduced in the authority. At the same time there was a lack of engagement by some members in the process, and an unwillingness/unsuitability to work in an in-depth, progressive, investigative and evidence based way (as is demonstrated by this case study, amongst other inquiries). Consequently, at the start of the 2004/5 municipal year the scrutiny process was relaunched through a new scrutiny framework. One of the purposes of this framework was to encourage increased councillor involvement and participation in scrutiny. A new approach to topic selection was introduced as a mechanism towards achieving this. Consequently, all scrutiny members were invited to this meeting to agree the forthcoming year's work programme through proposing, challenging and voting on scrutiny topics. The health inequalities inquiry was included in the proposals for the health and social care scrutiny forum, but a scrutiny inquiry into alcohol abuse amongst young people was the first choice topic.

The choice of topic in this meeting demonstrates that the health inequalities inquiry had not generated much enthusiasm amongst members, within the forum, or across scrutiny members as a whole. However, it could also be argued that at an officer level more could have been done to emphasise that the health inequalities inquiry was incomplete and abandoning it, would effectively leave the inquiry in limbo, and make much of the work carried out by the forum redundant. Through the forum a process had been agreed at the end of the previous municipal year, identifying the work carried out to date and the work in need of completion, which was reinforced at the meeting on the 20th August 2004. Under the remit of the inquiry (agreed at meeting two) the investigation had progressed to its second stage and evidence had been gathered from the PCT and the council in relation to the services they provide to reduce health inequalities. Further meetings with the remaining governance actors with some responsibility for this issue had been identified. However, the

scrutiny workshop meeting to define the work programme for the 2004/5 municipal year meant the inquiry was effectively, and indefinitely, put on hold. Consequently, there was minimal policy development emerging from the inquiry. The forum did, however, highlight the following interim key issues to be explored further in future evidence gathering meetings with health partners:

- Health inequalities are a complex and cross-cutting issue that requires partnership across government, local government and the NHS.
- Health inequalities follow a social gradient, with the health gap increasing steadily with poorer social classes.
- Lifestyle factors such as smoking and diet were highlighted as some of the key factors in causing inequalities in mortality rates for CHD and cancer.
- Members were concerned that a major problem in the town was the shortage of GPs, and the long waiting lists associated with this, which deter patients from attending surgeries.
- Hartlepool has a similar number of incidences of mortality through CHD as Middlesbrough but has significantly less coronary artery bypass grafts.
- Hartlepool does receive additional funding for being in a high deprivation area. However the PCT is receiving 2% less funding than it should in line with deprivation.

In terms of policy development there is little here that health partners would be unaware of, and the forum did not succeed in developing a policy response around these issues because the inquiry had not heard sufficient evidence from all the key governance actors to be able to reach any definitive conclusions on this matter.

8.6) Discussion

The development of health scrutiny demonstrates a clear link between the modernisation of local government and an apparently enhanced role in local governance for local government and scrutiny. The political management strand of the modernisation agenda has been modified to encompass other key local governance actors within the remit of the

local authority's overview and scrutiny function. Whilst the health service is certainly not a new agent in the local governance arena there have been growing concerns about its accountability and role in local governance. Indeed, Baggott (2004:306) comments that during the 1990s the notion of a 'democratic deficit' in the NHS centred on the inadequacy of existing mechanisms to involve patients and the public in decision-making.

Given the high priority central government has placed on the health inequalities agenda it is possible to make a connection between Weiss's (2003) conception of systemic risk (i.e. health inequalities are viewed as an unacceptable risk affecting a large proportion of the population) and its relationship to governed interdependence in relation to this issue. Consequently, it would be fair to assume that this case study should demonstrate a reasonably high degree of governed interdependence for this issue. Indeed strong local partnerships are being encouraged between local authorities, health authorities and other agencies to tackle the root causes of ill-health. The scrutiny inquiry has demonstrated that the government has placed emphasis on joined-up/inter-agency working, and this supports Weiss's conception of governed interdependence and its relationship to the transformative capacity of the state. The practical implementation of this in the case study authority is explored in more detail in chapters nine and ten.

The case study has demonstrated a new role for local authorities in health inequalities under the tackling health inequalities agenda. The role of local authorities in health inequalities has also been enhanced through the community leadership role, the government's emphasis on partnership working, and the duty to promote the well-being of communities. It could be argued that the focus here has been to enhance the transformative capacity of the state through bringing more actors into the governance arrangements for this issue at a local level. This is further enhanced through the role local authority scrutiny *can* play in bringing agencies together in community governance and thereby encouraging governed interdependence through scrutiny's co-ordinating capacity. Consequently, this case study demonstrates an enhanced role for local government within this part of the governance system.

However, local NHS bodies are also accountable upwards to Strategic Health Authorities (SHAs) and then to the Department of Health. The introduction of health scrutiny through OSCs has led to the development of a local tier of accountability to local authorities, in place of the community health councils (CHCs) which had been representing the views of the public in relation to the NHS. Inevitably there could be conflict between the internal (established) accountability structures of the health service and this new form of external scrutiny. Consequently it is important to recognise the relative powers held by these two structures of accountability. A SHA can insist upon accountability to it by local health bodies because it can issue instructions to these bodies, whereas OSCs have the power only to publish recommendations, and refer these matters to the Secretary of State if they feel it is necessary. Unfortunately, through not completing the inquiry these hierarchical accountability arrangements in the governance system for this issue were not tested.

The expectations created by the new health scrutiny roles were high, given that local authorities are being required to hold the local NHS to account. However, there has also been a recognition amongst practitioners and in good practice guides that this is a challenging role, which it will take time for local authorities to adapt to and perfect. The expectations amongst officers (and to a lesser extent members) in relation to this inquiry were too high. Although the focus of the inquiry was narrowed down from health inequalities, to health inequalities in mortality rates, and finally to health inequalities resulting from mortality from CHD and cancer, the focus of the inquiry was perhaps still too broad to be a manageable topic for the first year of health scrutiny in the local authority. Whilst it was expected that the remit of the inquiry would create a systematic approach to determining whether the balance between health promotion, disease prevention and access to services was right, these expectations were not fulfilled through the inquiry. The introduction of a much needed new scrutiny framework, which was effectively relaunching scrutiny in the local authority, had an adverse impact on this inquiry and was responsible for its incompleteness, which left some of the aspirations and expectations unfulfilled. However, it would be fair to argue that the inquiry was floundering prior to this partly through poor management by officers, and partly through lack of engagement amongst members.

The scrutiny inquiry into health inequalities highlights the need for partnership working across a variety of bodies to deliver positive outcomes with respect to this issue. However, whilst it is argued here that local NHS bodies initially took the role of health scrutiny very seriously there remain doubts over the extent to which the values underlying scrutiny have extended to the wider processes of governance in health. An important factor here is the complexity and highly professionalised nature of an organisation such as the NHS. For scrutiny officers and councillors, who are after all ‘lay members’, an organisation like this can be quite impregnable due to the imbalance in technical expertise between health professionals and scrutiny officers and members. It was therefore more of a challenge for scrutiny to adopt a consistent and rigorous approach to this issue in the early stages of the new health scrutiny role, than for other (largely internal) scrutiny inquiries. This obstacle may be overcome through training and experience. However, it is possible that unless this issue of capacity is addressed (and if members and officers do not take control over this new role) then scrutiny will be taken less seriously and the values of scrutiny, such as openness, transparency and accountability, will be undermined (further) over time. However, whilst this remains a danger (particular when the actors involved in the scrutiny process are hostile to the inquiry) this particular inquiry demonstrated the willingness of the PCT to work with the local authority in relation to this issue. Indeed it could be argued that the scrutiny mechanism enabled the local NHS to put health inequalities on the local authority agenda through the scrutiny workshop meeting prior to the agreement of a health scrutiny workprogramme in the summer of 2003. Furthermore, the PCT, through highlighting a potential inverse care relationship in relation to coronary artery bypass grafts within the sub-regional health community, was looking for an ally in the local authority to fight for a better deal for Hartlepool. Again the lack of professional and political ownership of the inquiry led to this potentially fruitful relationship not being followed up at the time. Instead it was noted and would have been pursued further with the acute and strategic health trusts and possibly the LSP, had the inquiry not been put on hold.

The challenge of making scrutiny an influential actor in local governance was made harder through a congested and incoherent work timetable, which also reflected additional pressures on the scrutiny timetable from the local health economy⁸⁵. Furthermore, it is

⁸⁵ These included the closure of a GP’s surgery and the possible closure of the town’s hospital.

crucial that councillors are actively involved, and engaged, in selecting and scoping topics for scrutiny inquiries so that they have ownership of the process from the outset, and also have some idea of where the inquiry will end i.e. in terms of potential recommendations coming from any given scrutiny forum. This was not evident for the health inequalities inquiry, although given it was the first in-depth health scrutiny inquiry under the new powers it was agreed it should effectively be used to ‘bed-in’ the process.

Discussions amongst scrutiny officers during the inquiry related to the perceived complexity of the inquiry, and whether the approach adopted was too complex for scrutiny members to understand⁸⁶. This highlights an important factor in the development of health scrutiny generally, in terms of councillors’ and officers’ capacity to hold a large complex organisation to account. Whilst the membership of the forum was not always ‘up to speed’ with the inquiry, the difficulty here was that to ‘dumb down’ the information provided to the forum further would run the risk of the members having a very limited understanding of the government’s agenda towards health inequalities. Without focusing on the ‘depth’ of the issue the inquiry would not be sufficiently evidence-based or sophisticated to warrant the attention of the health bodies in the locality⁸⁷. Officers supporting the scrutiny process have been left with a challenging role of unpicking the health service and the issues it is charged with tackling, and reproducing them in fashion which is understandable to lay members and yet ensuring that they are sufficiently sophisticated to challenge the views and opinions of the expert systems that comprise the health service.

Nevertheless, the health inequalities case study has shown that (post-Acheson) tackling health inequalities is now a legitimate role for the state, whereas after the Black Report it was identified as a key area for state intervention but as a result of a political decision little (if anything) was being done to address it. Through the case study inquiry scrutiny has shed light on the potential for the local authority and the PCT to collaborate towards shifting the balance between public health, primary care and secondary care, towards the

⁸⁶ This was demonstrated through the relatively low numbers of questions asked by members to healthcare professionals, and a high proportion of the questions asked were not relevant to the subject matter and development of the inquiry.

⁸⁷ Particularly if it was challenging the nature of their service delivery.

first two of these. However, the extent to which scrutiny officers and councillors understood this was limited.

The scrutiny inquiry was also used as a way to get wider understanding of the existence of health inequalities in the town. By investigating this topic scrutiny was fulfilling part of its community leadership and well-being roles. However, the low level of engagement from the local media in this inquiry limited the capacity of this role as the findings about inequalities within the town were limited to the participants in the inquiry and the people they talked to about it. Nevertheless, the scrutiny inquiry could be said to demonstrate Kooiman's (2003) first order of governance through the day-to-day interactions between governance actors represented here. In terms of Kooiman's (2003) second order of governance there has been a change in the structural aspect of interactions in two ways. Firstly, the scrutiny process introduces a new way of working across the institutions involved in the governance of this issue, and secondly, through the government's health inequalities agenda an increasing number of agencies are having a more formalised role in relation to this issue. These factors contribute to demonstrating that there is metagovernance agenda (through the national government's health inequalities agenda) that is establishing norms, which form a framework that directs and sets boundaries for governing across the first and second orders of governance.

8.7) Conclusion

This case study has highlighted a number of difficulties and constraints in developing an effective scrutiny process. In particular, there is a need to recognise that the duty to scrutinise NHS bodies, which are approximately the equivalent in size and resources to local authorities, places an additional burden on councils for which there has been limited funding and support from central government, apart from a one off payment of £2.25 million to the Centre for Public Scrutiny (CFPS) to aid the long-term development of health scrutiny. In addition, it requires a level of understanding and expertise about a separate area of government, of which individual councillors generally have little experience. Moreover, health inequalities is a classic example of a 'wicked' issue in the terms used by Rittel and Webber (1973) to describe issues that are, 'imperfectly understood, whose causes are not

clear and to which the response has to be worked out in uncertainty' (Stewart 2003:12). Finally, the challenges created by the health inequalities agenda pose some far-reaching questions about the nature of the social and economic order in relation to health outcomes. Against this background, it is even more important to be realistic about the limits of local *governance* and thus of health scrutiny to impact on the underlying causes of health inequalities.

9) Governance Drivers and Constraints

9.1) Introduction

The previous four chapters have presented the case studies. The case studies were chosen because, firstly, each of them represents an in-depth scrutiny inquiry, and secondly, out of the inquiries undertaken in case study authority, during my time evidence gathering, these inquiries bear the closest relevance to the key research problematic of the thesis, namely what is the role of local government in the local governance system? As a result the case studies provide the deepest understanding of the governance system that my ‘insider researcher’ role provided. Consequently, this is not a complete picture of the governance system in which Hartlepool Borough Council operates. It is, however, the most complete picture offered through the scrutiny window during a two year period.

By discussing the case studies against the five core research questions of the thesis I hope to reach some general conclusions about the role of local government in local governance. This chapter focuses on the first two research questions, which explore the governance context and the role of local authorities within this. Together they form a meta-level of analysis through which the limits and possibilities of local government scrutiny in governance can be explored. The research questions are:

1. What are the principal drivers influencing the shift from government to governance and to what extent are they evident in each of the scrutiny case studies?
2. To what extent, and in what ways, do the new powers and roles of ‘modernised’ local government constrain or enable its contribution to wider systems of governance?

Chapter ten deals with the remaining three core research questions. Taken together these two chapters illuminate the findings of the case studies through an analysis based on thematic discussions of the scrutiny inquiries organised around these questions. They are concerned with mapping the case study issues against the following key concepts that arise from the research questions:

- *Risk and globalisation.* When talking of 'risk society' Beck (1992) argues that politics has moved from being concerned with the distribution of goods to the distribution of risks. Weiss (2003) argues that in highly globalised markets, which are typified by systemic risks, there will be strong pressure for co-operation amongst actors to manage risks.
- *State capacity and globalisation.* The deregulation of financial markets and the increased volatility of international capital has deprived the state of much of its traditional capabilities to govern the economy (Pierre 2000:1). Through the influence of global trends the state has become an enabler, changing its role from a direct provider both to contain costs and achieve efficiencies (King and Kendall 2004:7). King and Kendall (2004:129) argue that nation states increasingly have to take account of other agencies (and share power with them for 'steerage'), including private and international ones. By doing so the state is more likely to be able to deliver flexible and innovative responses to the external global environment.
- *Governance as a response to risk and changing state capacity influenced by global trends.* Pierre and Peters (2000:51-52) assert that, 'governance has become important to changes in society ... and the new governance is a strategy to link the contemporary state to contemporary society.' Consequently, governance can be viewed as a response to demands placed on governing through a variety of changes to society and the role of the state. According to Bevir and Rhodes (2003:55) New Labour's strategy has been to conceive of governance as a way to transform the state into an enabling partner through promoting the notion of networks of institutions and individuals acting in partnerships.
- *Local state capacity in the governance system.* Rhodes (1997) argues that the Conservative's policy of by-passing local government for other departments has led to few policy areas remaining the domain of a single agency. Through the local government modernisation agenda the role of local government has been reconceptualised under New Labour. Local authorities are increasingly encouraged to become involved in the governance arrangements in their localities, most notably through the community leadership role and well-being powers. However, this

reconceptualisation has taken place in the context of the three bullet points above, which define and limit the scope for action.

- *The role and capacity of scrutiny in the local governance system.* As the window through which the governance system is explored the role of scrutiny, and its capacity within this system, is a key concern of the thesis. Scrutiny is the primary outlet for the majority of councillors to fulfil their representative role in the governance system.

These concepts primarily relate to the first two research questions, and inform much of the discussion in this chapter. Discussion about the role and capacity of scrutiny is reserved for chapter ten. In addition, it is important to emphasise that the concepts of risk and governability are fundamental to the role of scrutiny as a whole and, as such, underpin the analysis of the case study findings as a whole. Indeed, in emerging as problematic issues, each of the case study inquiries had been established, at least in part, to manage risks to the governability of the local governance system generally, and to the legitimacy of the local authority more specifically. From this perspective a, if not *the*, central role of scrutiny was to manage risk and improving the governance arrangements. The scrutiny function seeks to address such problematic issues by a combination of holding the actors involved to account and through adopting a policy development approach towards these issues. However, as the case study findings demonstrate the scrutiny function often works imperfectly in relation to these challenges. Consequently, a key consideration of chapter ten will focus on what went wrong and what can be done to maximise scrutiny's role in the light of complex governance challenges. Finally, an underlying objective across chapters nine and ten is to explore the fit between actual events and the conceptual model developed for the thesis.

9.2) Governance Drivers and Interactions

This section of the chapter relates to the first of the core research questions. It is argued in the theoretical framework of this thesis that there are two interconnected sets of factors driving the modernisation of local government, and enhancing the role of local governance. The first of these is associated with the impact of global trends (or globalisation) on

national and local governance. However, it is also argued that how nation states open up their economies and manage this process is central to the nature of the governance arrangements that emerge. Consequently, the second driver is formed by the national government's response to the first, and the various governance arrangements that emerge from, and around, it. As Weiss (2003:299) states, 'in short, not all states move in the same way in the room they have,' and, 'whether institutions intensify or soften the constraints on economic governance and policy autonomy will depend on their normative and organisational configuration in the specific issue area in question.' As a consequence of this driver policy responses are generated within which different governance arrangements and relationships emerge, in different localities, and for different issues. I am conceptualising governance here as a multi-levelled system in which each level influences the other. Consequently, the two key governance drivers can be described as:

1. Global trends influencing the national and local governance arrangements.

National governments can choose to work with the grain of global markets or resist them. If they resist them, though, economic performance may deteriorate with negative consequences for their populations and electoral success (Gamble 1997:360). Consequently, Painter and Pierre (2005:13) argue that globalisation generally calls for a new type of political economy, with the state deprived of some of its former control and leverage, while policy choice is conducted within a narrower range. Jayasuriya (2005:19) asserts that one of the distinctive features of these factors is the development of a new regulatory state in which the exercise of public power is fragmented and dispersed. Consequently, global factors provide an exogenous imperative for the nature of policy development and the subsequent fragmentation of the state⁸⁸ along these lines.

2. National policies which are developed as responses to global influences and provide the drivers for local governance relationships. Stoker (2004:3) argues that changes in the local governance system have resulted from intentional interventions by the Conservative and Labour governments since the late 1970s. The focus here is on endogenous policy development, based on domestic policy reactions to

⁸⁸ See chapter three for further details.

exogenous factors, which can be associated with how states propose to re-integrate the fragmenting tendency of the first driver. Hirst (2000:18) identifies a further trend through the introduction of commercial practices and management styles into the public sector, and devolving services to agencies that are self-managing within overall policy guidelines and service targets. This is linked to the first driver in terms of the benefits of adopting a New Public Management (NPM) approach to governance, and through reducing the burden on the private sector and the ability to compete in the global economy

The case studies are analysed across a number factors (which relate to the *drivers* outlined above) and are represented in table four. The extent to which these trends are evident within the case studies will be explored below based on the following criteria:

1. **Risk.** *To what extent is it evident that there is the risk that global forces will impede local control in the governance system?* Risk is manifested here through global influences on the local policy space. Consequently, local authorities are confronted with risks to their legitimacy as local representative bodies and ‘first amongst equals’ in localities. These form political risks to the legitimacy of local authorities as the bodies with the mandate to intervene on behalf of the community’s well-being. The extent to which local autonomy to meet the challenges of these risks is constrained by global forces is a key concern of this section. As Blackman (2006 forthcoming) argues, ‘there is still space for countries to choose their trajectories of economic and social development, but these choices are made in an environment where the interconnectedness of the national and global mean that calculations of risk and opportunity have to be done in a global framework.’ Weiss (2003:311) hypothesises that in ‘genuinely globalised markets’ characterised by strong systemic risk⁸⁹, the stronger the pressure is for public-private cooperation and information exchange in managing risks. Consequently, Weiss asserts that the greater the risk the greater the incentives will be for a governed interdependence response. However, before we test Weiss’s hypothesis it

⁸⁹ Systemic risk relates to the governance system or arrangements delivering sub-optimal outcomes that undermine the legitimacy of the system/arrangements. In other words there is the possibility of an imbalance between the risk and the capacity to manage that risk in the governance system.

is necessary to explore how the second governance driver of endogenous policy development has generated the governance arrangements that are in place for each of the case studies, prior to assessing the efficacy of the interdependencies amongst these.

2. **Governance arrangements.** *To what extent is there evidence of governance arrangements in place locally across the case study issues?* Rosenau (2000:171) conceives of governance as, 'systems of rule, as the purposive activities of any collectivity that sustain mechanisms designed to ensure its safety, prosperity, coherence, stability, and continuance'. As a result the case studies will focus on the governance arrangements that are in place for each of the issues and how the modernisation agenda has driven and facilitated the various arrangements that comprise governance for each of these. A key consideration here is to what extent are governance responses encouraged by national policy in relation to the case study issues? How effectively can a local authority intervene/interact in governance arrangements to maintain its legitimacy in light of the political risks described above? Having established this it will be necessary to explore how effectively/interdependently these arrangements are working in practice.
3. **Governed interdependence.** How effectively are the *governance arrangements*, which have emerged for the case study issues, linking/working together in response to the governance drivers? An implication of Weiss's (2003) conception of governed interdependence is that, given the pressures of globalisation, adopting this form of governance represents best practice, or good governance, in relation to the context it emerges in. Through governed interdependence the state shares power with businesses and communities, and also the responsibility for delivering. The benefit of achieving governed interdependence is that there is enhanced potential to deliver shared objectives/priorities. However, governed interdependence is not always evident in practice as is demonstrated by the case studies. *Governed interdependence is, therefore, essentially used as an ideal type for governance here.*

Table 4: Evidence of governance arrangements and drivers for the scrutiny case studies.

Research Question		Ghost Ships	Flooding	Skateboarding	Health Inequalities
1) Governance Drivers	Political risk to the local authority's legitimacy	High	High	Medium to Low	Low
	Local systemic risk	High	Medium to High	Low	High
	Evidence of governance arrangements (during scrutiny)	High	Medium to High	Medium	High
	Evidence of governed interdependence (prior to scrutiny)	Medium to High	Low	Medium to High	Medium to High
	Evidence of governed interdependence (following scrutiny)	Low	High	Medium to High	Medium to High

Governance Drivers

It was argued in the third chapter of this thesis that there has been a global trend towards most nation states opening up their economies to generate economic growth (see for example King and Kendall 2004, Bauman 1987, Gamble 1997, Painter and Pierre 2005, Rosenau 2000, and Watson and Hay 2003). It is also argued that this impacts on the capacity and nature of local governance arrangements and the type of issues these

arrangements 'deal' with. Three of the case studies (ghost ships, flooding and health inequalities) illustrate the impact economic globalisation can have on governance issues. The nature of the impact varies from the privatisation of a public utility industry (flooding), to rising income inequality (health inequalities), and international trade (the ghost ships). The skateboarding inquiry provides evidence of global cultural trends impacting on local authorities and local governance. Consequently, all of the case studies highlight the influence of global drivers on local issues.

The ghost ships issue was a by-product of the global trade in decommissioning ships. The House of Commons Environment Food and Rural Affairs Committee (2004) concluded that about 700 large commercial vessels are dismantled every year, largely in Asia in poorly regulated facilities and at a very cheap rate. There is pressure on OECD countries to dismantle their own vessels but a lack of facilities to do so. Consequently, it is possible to argue that Able thought they had found a gap in the global market for dismantling ships in the West, whilst promising jobs to an economically deprived corner of the UK. There is evidence from the ghost ships inquiry, through the facilitative role the EA and the HSE adopted in bringing the ships to the UK that there was a 'pro-business' orientation amongst the regulators. As such, this experience appears to be consistent with Bauman's (1987:188) argument that, 'the role of the state is reduced to the employment of political means in the service of perpetuating the conditions for the domination of the market.' However, the role of the council as community leader is more complicated than this allows because it needs to bring business and investment to Hartlepool⁹⁰ and must balance economic, social and environmental priorities to secure its overall legitimacy (in terms of central government objectives and local residents' wishes). Nonetheless, the case study highlights the constraints on the local state (with the exception of its tightly prescribed planning powers) to determine the balance between the economic, environmental and social well-being of residents for this type of issue. Again this finding reflects aspects of a trend identified by King and Kendall's (2004:143) for globalisation to refer to the development of a world market, in which local economic and political actions are increasingly losing influence.

⁹⁰ Indeed, 'Jobs and the Economy' is presented as the first of the seven theme partnerships in the Community Strategy and is regarded as critical to the success of the other themes.

The flooding case study demonstrates two global strands of drivers for the governance of this issue; the case study highlights the increased globalised risk of flooding through global warming, and the privatisation of the water industry. Economic globalisation is the defining development of our time, according to Barlow and Clarke (2002:81), and they argue that through the global market economy everything is seemingly now for sale, including natural resources such as water. An additional driver for the privatisation of utility sectors in the 1980s and 1990s was distrust in the public operation of services, which was rooted in a perception of inefficiency (Loughlin and Scott 1997:209). One of the arguments for privatisation was that the state could not achieve allocative and productive efficiency; however regulation was required because the market alone was not trusted to deliver efficient *and* equitable water services (Ernst 1994:54). It is in this context King and Kendall (2004:7) identify the state becoming an enabler rather than a direct provider.

According to Brooke (2003:14) skateboarding has had a tremendous impact on society worldwide; influencing music, the internet and fashion. Indeed, the physical activity of skateboarding is connected to a global sub-culture. Borden (2001:137) argues that skateboarding is a sub-cultural response to a loss of identity, which affects all individuals faced with the dissolution of points of reference inherited from the past. This global cultural trend became increasingly evident in Hartlepool as young street skaters practised their activity in the town centre. The case study demonstrates that in the emerging governance system a variety of public, private, voluntary and community actors responded to this global driver, but with limited success in developing a new 'solution' to the increasingly fragmented leisure activity demands in the locality.

A further global trend identified by Bjorvatn and Cappelen (2004), in Blackman (2006 forthcoming), is that globalisation has increased the demand and pay for highly skilled personnel while reducing the demand for less skilled workers, and this development has largely been held responsible for the rising income inequality documented for most OECD countries during the 1980s and 1990s. The government (Department of Health 2002:2) has recognised the connection between income and health outcomes by acknowledging that, 'health inequalities follow a social gradient, with the health gap increasing steadily with poorer social class.' So whilst New Labour has intervened in deprivation and low income

(through redistribution), it has done so without addressing income inequalities as a whole (i.e. tackling the top of the income scale) (Blackman 2006 forthcoming). In this respect a central problem of this governance issue is a problem of globalisation.

Risk

The legitimacy of the case study local authority, as the democratically elected and accountable body in the locality, has been challenged by different levels of risk in the scrutiny case studies. Kjaer's (2004:11) summary of governance draws attention to Peters' (2000) argument that *governance* resurrects an old discussion about the relationship between legitimacy and efficiency, it (governance) is about how to steer, but also how to improve accountability. In this respect governance can be seen as responding to systemic (efficiency/steering) or political (legitimacy/accountability) risks.

As we have seen each of the case studies demonstrates the influence of global drivers over each of the issues under examination. It is now necessary to explore the extent to which this has generated risks to the political legitimacy of the local state for each of the case study issues. In doing so it is useful to briefly recap⁹¹ how each of the scrutiny inquiries began (see table four above for the levels of risk). The ghost ships inquiry started following a referral (in full council) from the responsible portfolio holder once the matter had become a hotly contested public issue. The local authority needed to respond to this issue to be seen as a legitimate community leader given the strength of public feeling at the time⁹². Similarly the flooding inquiry represents the local authority intervening in an issue causing high levels of public concern. Again it can be argued that by doing so scrutiny was protecting the legitimacy of the council as the representative body in the locality. The skateboarding case study follows a similar pattern through which skateboarding in the town had become a matter of public interest/concern. The health inequalities case study is somewhat different from the other case studies in terms of the risk it posed to the legitimacy of the local authority. The health sector is more tightly regulated for this issue than the local authority, and the public are more likely to hold it, rather than the council,

⁹¹ The case studies are ordered here in terms of hierarchy of risk, with the issue deemed to have the highest risk coming first.

⁹² Whether scrutiny was the appropriate outlet for doing so will be explored later in the chapter.

responsible for health matters such as this⁹³. Consequently, this is a shared risk for the local authority, which limits the risk to the legitimacy of the local authority itself. Nevertheless, there is strong evidence that most of the case study inquiries were initiated in response to political risks to the representative legitimacy of the local authority. This summary, therefore, supports the assertion in the previous section that all the scrutiny case studies emerged as ‘problematic issues’ in the first instance.

In addition to political risks the notion of systemic risk to the local governance arrangements is also significant in relation to the role of the council given the shift in focus of local authorities’ roles from direct service delivery to community leadership. The government (ODPM 2005:7) argues that, ‘it is vital that councils both provide a focal point for the development of a collective vision for the future of an area that responds to local people’s priorities and bring together public agencies and key stakeholders to achieve it.’ Consequently, central government, through the developing community leadership agenda, has placed some responsibility on local government to manage systemic risks in the governance system. Scrutiny, through its internal and external accountability roles, has a duty to respond to systemic risk in this respect.

The ghost ships case study ultimately witnessed high levels of systemic risk because the governance arrangements for the issue effectively unravelled, leading to the ships resting in a Hartlepool dock for two years with no work allowed to take place on them. The flooding case study represented medium to high levels of (local⁹⁴) systemic risk because the water system was proven to be not working effectively in terms of preventing flooding and co-ordinated responses to flooding. The nature of skateboarding as a sport posed a challenge to the local authority in terms of its leisure service provision. However, the risk that the skateboarding issue posed to the local authority was not sufficient for the variety of potential partnership solutions, which were explored through scrutiny, to represent sufficiently good value for money to the local authority. The systemic risk from the health inequalities inquiry was high (although not particularly high for the local authority at the

⁹³ Although it should be recognised that the scrutiny inquiry was chosen on the basis of the high levels of health inequalities in the town, which was a problem that needed addressing.

⁹⁴ In terms of the regional water company the overall systemic risk of flooding in Hartlepool was lower to it than it was within the locality itself.

time of the case study). Wanless (2002:119) has identified a major risk to the state in terms of the level resources which would need to be invested unless a more preventive strategy for public health can be implemented successfully, and this requires a particular emphasis on reducing health inequalities. He also cites (in his introductory letter to the Chancellor) health inequalities, in particular, as a major resource requirement for health and social care – a risk within a risk. The policy framework and governance arrangements for this issue reflect the national government's concern with this issue. A consequence of this is a larger role/responsibility for local authorities than in the past.

The ghost ships and flooding case studies, in particular, illustrate how an issue can become what Beck (1992) calls a 'recognised modernisation risk'⁹⁵. According to Beck (1992:77) a consequence of this (with particular relevance to governance) is that the public gets a say in the technical details of an issue; 'everyone suddenly wants to get a word in, and ultimately not with comparable precepts, but from a totally different system of reference.' Clearly this can create confusion in the governance of an issue, which ultimately challenges the legitimacy of the elected representative body. The ghost ships and flooding inquiries both reflect confusion and challenges to the legitimacy of the local authority on this basis. However, the scrutiny inquiries demonstrated very different governance outcomes, which will be explored later. In terms of the political legitimacy to the council for the ghost ships issue, the referral to scrutiny of this issue in full council proved to be an effective approach to offset the risk this was posing to the council as a whole, and to the portfolio holder in particular. Scrutiny fulfilled the representative role here, whilst the issue was diffused. Furthermore, the council subsequently voted unanimously for the ships to be returned to the USA, which undermined the scrutiny process, but further protected the political legitimacy of the councillors due to the high levels of public disenchantment at the time.

The two strands of global drivers for the flooding case study have combined to create a governance context for the issue, in which the threat of flooding to the public has increased whilst the accountability for combating this risk has shifted from representative democracy

⁹⁵ Beck (1999:2) argues that the five interlinked processes of: globalisation; individualisation; gender revolution; underemployment and global risks (environmental and economic) are the unintended consequences of the 'first modernity' and the 'second modernity' must respond to these challenges simultaneously. This constitutes 'reflexive modernisation'.

to what Kjaer (2004:15) has termed a 'privatisation of accountability'. Furthermore the case study demonstrates high levels of disagreement between the (private) service provider and local residents over what Beck (1992:64) highlights as 'acceptable levels' of risk. This was manifested in the extent to which flooding of homes was deemed to be acceptable; not at all for those residents affected, and in some cases for Northumbrian Water dependent on the extent of rainfall. Consequently, the local authority became involved in the issue because of the relatively high levels of political and systemic risk resulting from this.

Borden (2001:262-263) argues that skateboarding is an 'oppositional subculture' that uses a range of images to create a generalised rejection of the external world, particularly aspects of the family and paid work. The emergence of a 'street-skating' in the 1980s and 1990s has provided a highly visible outlet for the skating sub-culture in town centres. Consequently, these factors have combined to provide a visible and oppositional sub-culture that challenged the legitimacy of the local authority as the democratically representative body in the locality, and raised the issue of whether there should be a partnership response⁹⁶ to this, linked to Weiss's (2003) conception of governed interdependence. The increasingly complex leisure service demands in the locality can be viewed as a risk to the local authority, which required a governance response due to limited finances to support existing leisure service provision within the locality – let alone to develop new services.

The health inequalities inquiry demonstrates that the notions of *legitimacy* and *efficiency* in governance have been important drivers for the modernisation of local government, and for the enhanced role of local governance in relation to this issue. The former category of legitimacy has been broached largely through the new powers of health scrutiny, which is explored further through the later research questions. In relation to efficiency in the governance system central government has responded to the health inequalities issue by encouraging the development of networks geared towards tackling these inequalities. It could be argued that government has recognised the importance of partnerships in a fragmented governance system (largely comprised of different arms of government, the

⁹⁶ Led by the local authority in its representative capacity.

NHS and the voluntary sector) for delivering policy outcomes for this issue, and as a consequence this has been a key driver for the modernisation agenda here.

Governance Arrangements

Each of the case studies represents issues for which governance arrangements emerged, were already in place, or were modified during the scrutiny inquiry. The case studies will be examined against the *governance arrangements* in place for the issue under scrutiny. A key consideration here will be the extent to which the local government modernisation agenda has facilitated these arrangements – how have endogenous policy developments prompted local reactions to global trends in terms of the governance arrangements that emerge?

An additional factor here is the current government's reform of local authorities' political management structures. Stewart (2003:78) asserts that, 'the executive has taken over responsibilities previously exercised by committees and inherited all the decisions those committees made.' The effect of this has been to concentrate local authorities' power in the hands of fewer councillors whilst encouraging non-executive councillors to adopt more of a representative community leadership role. Indeed, Snape et al (2002:105) argue that the overview and scrutiny function can be an important mechanism for councils to fulfil their community leadership role and develop approaches to utilising the well-being powers. Consequently, it could be argued that the nature of political decision making in the new governance arrangements is both changing and also fragmenting between the executive⁹⁷ and community leadership/representative roles.

The ghost ships case study provides evidence of *governance* arrangements, which involve multiple *government* actors, all approaching the issue from separate regulatory bases and legislative frameworks. Whilst these regulatory bodies overlap and need to be co-ordinated more effectively they are all arms of government. Within the council the regeneration and planning department, the responsible portfolio and informal cabinet had some involvement in the issue prior to the scrutiny process. There was further involvement in the issue from

⁹⁷ Although the executive has community leadership responsibilities of its own.

MARAD (an arm of the US government) and Able UK, which broadened the scope of the governance arrangements for the issue. Indeed, Corry et al (2004:11) argue that because there are huge numbers of organisations engaged in delivery the boundaries between institutions, responsibilities and accountabilities have become blurred, and require cross-cutting and flexible responses. Consequently, a further strand to the governance arrangements for this issue emerged, in the form of scrutiny, which in turn was responding to the political risk for this issue as it dramatically increased through the publicity the issue generated. Scrutiny attempted to provide a dual co-ordinating/accountability role for the governance of this issue, the success of which is explored later in the chapter.

As a private (regional) monopoly Northumbrian Water is regulated by Ofwat (economically) and its customer representative arm Water Voice. The predominant⁹⁸ local governance arrangements for the flooding case study consisted of Northumbrian Water and Hartlepool Borough Council as the service providers. The former was largely responsible for all service delivery, apart from gulley cleaning, which was the responsibility of the council. The governance arrangements for this issue reflect the global pressures for the privatisation of the water industry, but they also demonstrate endogenous policy development through the community leadership and well-being strands of the local government modernisation agenda that provide a route into these governance arrangements for elected representatives.

The role of the local authority in the governance arrangements for the skateboarding inquiry was similar to the one it adopted for the ghost ships and flooding case studies in the way that it justified its involvement in these through utilising strands of endogenous policy development (the community leadership role and scrutiny) to respond to the governance of the issue. The existing skateboarding provision in the town consisted of a skate park, which the local authority had entered into temporary governance arrangements with the NRF to develop. These arrangements were developed as a local policy response to the global cultural trend of the use of public space for street-skating. The scrutiny function operated in a comparable fashion to the flooding inquiry, in that it sought to make connections with, and between, public, private and voluntary components of the

⁹⁸ A lack of ambition on the part of the scrutiny forum prevented it engaging meaningfully with Defra, the EA, Ofwat and Water Voice during the inquiry.

governance system to develop skating provision (as a new challenge to existing local authority leisure provision and budgets) within the town.

The governance arrangements for the health inequalities inquiry are unique amongst the case studies in two respects: firstly, a wide and established national policy framework exists for this issue (culminating in the Department of Health's (2003b) *Tackling Health Inequalities: A Programme for Action*) and secondly, the health scrutiny function provides a more formalised line of accountability for local authorities into these arrangements than for other case studies. The health inequalities agenda is an example of the New Labour government attempting to stave off welfare retrenchment through involving more actors in the governance arrangements of an issue, and 'steering' these actors towards agreed outcomes. As a result of the drivers described above, there is an enhanced role for partnerships as a form of governance for tackling health inequalities more effectively.

The case studies support Jayasuriya's (2005:20) contention that, 'globalisation brings with it a new ensemble of governance institutions, and it is these new structures that shape and influence the architecture of the state as well as constituting new types of policy capacity.' This is particularly true for the flooding, skateboarding and health inequalities inquiry. The limited success of the ghost ships inquiry could be attributed to the lack of new institutions constituting new types of policy capacity, because the (traditional/government) regulatory framework superceded scrutiny's attempts to contribute to a governance-based form of policy capacity. Nevertheless, each inquiry supports Skelcher's (2003:20-21) notion of local authorities at least attempting to develop and support partnerships so that they can demonstrate their commitment to modernisation, whilst enhancing their ability to direct and shape the way in which partnership activity is undertaken.

Indeed the government (ODPM 2005:9) has recently argued that one of the many challenges facing local authorities is to develop the *community leadership* role in relation to the range of local services that contribute to the well being of the area and also strengthen the relationships between partners. Consequently, there is not only a (potentially) key role for the local authority in the governance arrangements of these issues, but the community leadership role also places an emphasis on the local authority to co-ordinate these. There

are a couple of implications from this argument; firstly the community leadership role is placed at the heart of scrutiny's potential to contribute to governed interdependence (see below) and secondly it provides an opportunity for local authorities to become engaged in the governance system (see the following section). Consequently, these case studies have demonstrated that the scrutiny function itself can become an important additional actor in the local governance system.

Governed Interdependence

Weiss's (2003) notion of governed interdependence implies that 'the pressures of globalisation have led to the state sharing powers and the responsibility for delivery, with businesses, voluntary and community sectors. Ideally this will generate enhanced potential and capacity to deliver towards shared outcomes across the governance arrangements.

For the ghost ships issue the council, in addition to its planning role, adopted what can loosely be described as a governance approach, and contributed both positively and negatively to the governed interdependence of this issue. As we have seen (in the case study) the council was approached by the EA and HSE about its views on this contract. Senior officers and an informal cabinet meeting indicated their willingness to work in partnerships to support the development of the contract in the interests of the economic regeneration of the area. However, once the issue became public the council became involved in the issue in a different capacity. This was through the representative and community leadership roles of the local authority, which are explored in more detail elsewhere in this chapter. However, Weiss (2003) argues policy autonomy is affected by the normative and organisational configuration for a particular issue. Consequently, the ghost ships case study demonstrates the importance of regulatory bodies here, which limited the scope for the local authority to generate governed interdependence for this issue.

The flooding case study links more directly to Weiss's (2003) conception of the relationship between high risk and high levels of governed interdependence. The flooding issue can be identified as a 'wicked issue' that cannot be resolved by a single agency⁹⁹.

⁹⁹ As a result of changes to service provision influenced by the second globalisation driver highlighted above.

The environmental stewardship and regeneration scrutiny forum in Hartlepool was a key driver for developing partnerships, in response to this issue, between the relevant agencies, particularly the council and Northumbrian Water. Consequently, the local government modernisation agenda (through the more outward looking approach provided by the scrutiny function as a component of the reform of political management structures) could be said to be an enabling factor in generating 'good governance' for this particular issue, as partners re-focused towards delivering shared outcomes.

The skateboarding case study exhibits relatively low levels of systemic risk. Initially the scrutiny inquiry identified highly visible activity amongst fairly large groups of young skaters in Hartlepool town centre, which was largely perceived to be anti-social. This resulted in the council as a whole and scrutiny working on its own initiative but in collaboration with a council department, responding to this issue as a relatively high risk issue. As the inquiry progressed the scrutiny forum, the mayor, and the community services department all tried to develop partnership arrangements to respond to this issue. However, none of the solutions on offer represented a worthwhile partnership for the council. The council tried to foster governed interdependence as a governance response, but was unable to find an acceptable solution which would create permanent governance arrangements for skateboarding in the town. It is, therefore, possible to argue that the level of risk was not sufficient to generate governed interdependence.

The government's response to health inequalities has been to encourage the creation of, 'strong local partnerships with local authorities, health authorities, and other agencies to tackle the root causes of ill-health in places where people live' (Secretary of State for Health 1999 para 1.7). Consequently, there has been a move by central government to encourage the development of governed interdependence as a solution to an issue influenced by global factors and risks, through tackling health inequalities as a deprivation issue based on the development of local partnerships/networks. However, the health inequalities inquiry has highlighted a local authority (and in particular elected members) struggling to come to terms with the complexities of this new role. In particular, there is a need to recognise that the duty to scrutinise NHS bodies, which are approximately the equivalent in size and resources to local authorities, places an additional burden on councils

for which there has been limited funding and support from central government (Wistow and Banaras 2005:41). The capacity of councillors and officers to undertake this complex role is discussed further in the following sections.

If we exclude the ghost ships case study the other scrutiny inquiries support Weiss's conception that high levels of risk will lead to governed interdependence. Indeed table four above shows that the higher the political risk the greater the tendency towards governed interdependence. The next chapter will explore more closely the relationships between risk and legitimacy, public engagement, regulation, and certainty/agreement in the outcomes of the scrutiny inquiries, and how governed interdependence can be limited/enhanced by combinations of these factors.

Summary of section 9.2

The scrutiny case studies identify a variety of drivers for the governance arrangements that are all connected¹⁰⁰ to global trends. They also demonstrate that governance issues evolve over time leading to changes in the governance arrangements. The evolution or development of governance arrangements for issues can, in turn, affect the potential for governed interdependence to emerge, which can either be enabling (as demonstrated by the flooding case study) or constraining (as occurred during the ghost ships issue). The potential variations in the governing systems for governance issues means that it is necessary for the complex, and often competing, responsibilities of actors involved in governance arrangements to be fully understood by local government scrutiny functions. Without this understanding the potential to generate a governed interdependence response to political and systemic risks, is severely constrained. The next section will explore the opportunities and constraints of local government to act in this system.

¹⁰⁰ To a greater or lesser extent

9.3) Opportunities and Constraints on Local Government within the wider Governance System.

This section focuses on what the case studies tell us about the role of local government in governance and, in particular, the extent to which it is equipped to fulfil the local leadership and co-ordinating functions envisaged for it within the context of an ongoing shift from government to governance. In turn, it explores the nature and extent of the opportunities open to local authorities to fulfil these functions together with the constraints, which correspondingly limit their fulfilment. A number of opportunities and constraints have emerged as products of the local government modernisation agenda and need to be viewed within a broader discussion of the relationship between government, governance and the role of the local arm of government within the governance system. According to Pierre (2000:241), 'governance theorists see the role of government in governance as a contextual phenomenon; the pursuit of collective interest takes different forms in different political and institutional contexts and governments can either be the key, co-ordinating actor or simply one of several powerful players in that process.' Consequently, the extent to which local authorities are enabled or constrained within the local governance system should vary dependent on the issue under consideration and the ability of a particular local authority to conceive of and play that co-ordinating role.

The previous section touched on how, and to what extent, the local government modernisation agenda has equipped local authorities to function within the governance system. Kooiman (2003:73) argues that for organisations with a public role the co-ordination of demands is crucial because they usually deal with multi-faceted and multi-disciplinary subjects and services, requiring not only internal co-ordination of specialised units, but often external co-ordination of social actors as well. Through the powers of well-being, the community leadership role, and the scrutiny function local authorities are provided with new roles and responsibilities in the emerging governance arena in this respect. Furthermore, the introduction of Local Area Agreements promises to be a catalyst for community leadership and to generate links to LSPs, through bringing partners together to agree and work towards shared objectives (ODPM 2005:11). However, there are a number of possible constraints on local autonomy that have also been part of the Labour

government’s modernisation of local government. These include the continued threat of capping individual local authorities, a reduced role in direct service delivery, and unprecedented powers of intervention for the Secretary of State under the Local Government Act 1999 (Stewart 2003:206). This section will analyse the extent to which local authorities (and the scrutiny function) are constrained by a lack of powers within the governance system.

Table 5: Evidence of the case study authority being enabled or constrained by the local government modernisation agenda for the scrutiny inquiries.

Research Question		Ghost Ships	Flooding	Skateboarding	Health Inequalities
2) Extent to which local government is enabled or constrained by the modernisation agenda in the governance system:	Enabled	Scrutiny, powers of well-being, and community leadership role combine effectively	Scrutiny, powers of well-being, and community leadership role combine effectively. Enabling local authority to respond to public concerns about the governance system	Scrutiny, powers of well-being, and community leadership role combine effectively	New policy space created through health scrutiny function and central government’s health inequalities agenda
	Constrained	Crowded governance arena and tightly prescribed planning powers undermine powers/roles enabling local government.	Given Northumbrian Water is largely responsible for this issue, and has been for some time, the modernisation agenda has not acted as a new constraint on local government powers	Funding is constrained but the scrutiny process suggests local authority should not seek a greater role in the governance of this issue on the terms available.	‘Traditional’ thinking amongst members and officers in the local authority acts as a constraint within the governance system.

Opportunities

Randle and Hatter (2005:5) argue that, ‘as the only over-arching locally elected body, councils have a uniquely democratic role within the locality. In this capacity they are increasingly being asked to perform a visible community leadership role, focusing on bringing partners together, joining up local services, exercising influence in developing a shared local agenda and high quality local services, engaging with citizens and creating a vision of their localities.’ According to the LGA (2003:5) the concept of well-being is fundamental to community leadership and its delivery. The breadth of the power is such that councils should regard it as a ‘power of first resort’, rather than searching for a specific power, councils can instead look to the power of well-being so long as there is nothing preventing them from acting (LGA 2003:5). It is evident from the case studies that the community leadership role, and to a lesser extent the power of well-being, provided an opportunity for local authorities to become engaged in governance issues. The case studies all demonstrate an interplay between these, and largely prove that these roles and powers can be combined effectively with the scrutiny function to provide a route into the governance arrangements of issues posing political and systemic risks to the legitimacy of local authorities. Furthermore, the role that this interplay creates for local government and scrutiny in governance is, at the very least tacitly, encouraged by central government’s modernisation agenda. Whilst this creates opportunities for local authorities we will see later in this section, and in the next chapter, that there are a number of concerns about how this role is defined across governance arrangements in practice.

Through the close links between scrutiny and the powers of well-being and the community leadership role, the governance capacity of local authorities has (in theory) been enhanced through the local government modernisation agenda, and this in turn can enhance the governed interdependencies in a locality – given pressures on the council to act or the political will to do so. The flooding case study shows that, in practice, there can be a significant role for local authorities in the governance of a high risk issue. Through the challenges this issue posed to the legitimacy of the council, the influence of scrutiny proved to be an important element in enhancing and encouraging the local authority’s capacity to act, whilst also being a valuable governance actor in its own right. The skateboarding

inquiry followed a similar pattern, which serves to support Stoker's (2004:62) contention that the emergence of governance has demanded a new role for local government as a facilitative community leader as well as a diminished role as a service provider. This was demonstrated through the work of the forum in exploring a variety of partnership arrangements to enhance skateboarding provision in the town.

The health inequalities inquiry generally demonstrates enhanced capacity for local authorities within the governance system. The health scrutiny function reinforces the ability of local authorities to exercise the community leadership role in relation to the NHS and to review the contribution of NHS bodies to the health and well-being of local populations. Indeed, Skinner (2004:8) argues that through the powers of well-being, local authorities are being re-acknowledged for their community leadership as well as direct service delivery roles. He continues by asserting that local authorities have the most levers for public health improvement through their partnerships with PCTs and many other partners at different layers of governance (Skinner 2004:9). Skinner also argues that through 'new localism' there should be an enhanced role for better performing local authorities in community leadership of public health at both managerial and political levels. Furthermore, the government's cross-sector strategy for reducing health inequalities has placed a similar responsibility on the NHS to work in partnership with local government. However, in Hartlepool (which has been rated as 'excellent' by the CPA since 2002) there is evidence that this is a challenging role for local authorities to fulfil. The local governance of the case study issue was led by the local PCT, through suggesting the item for scrutiny and then trying to engage with the local authority as an active partner in the health inequalities agenda throughout this inquiry. However, the scrutiny forum was unable to keep up with this agenda during the inquiry. This is an example of local government being encouraged to work in a governance context by central government and local partners, but failing to adapt fully to these conditions. This can largely be attributed to a lack of capacity but it also reflects the status of the health inequalities issue within the local authority due to the limited risk it posed to the council at the time of the inquiry.

The health scrutiny function can be viewed as a pathfinder for a more formal external scrutiny role if the government follows up its thinking in its recent *Ten year vision for local*

government (see ODPM 2004 and 2005). The evidence from the case studies demonstrates that scrutiny can already fulfil an external governance role, through its engagement with the community leadership and well-being role/powers. However, the ghost ships inquiry has highlighted how external scrutiny can be (mis)directed to areas where there is limited potential to influence governance outcomes. Consequently, if the government pursues its plan to extend powers of external scrutiny so that the community leadership role is reinforced (ODPM 2005:17), it will need to take into account which areas of governance are amenable to scrutiny – in which areas of governance should the community lead? Furthermore, the capacity of scrutiny to exploit the opportunities of the community leadership role needs to be given higher levels of priority and resourcing by central government than the health scrutiny function has to date. Given the changing nature of governance, described above, this is a vital role for local authorities to perform.

Constraints

On the surface the ghost ships and flooding inquiries share a number of similarities in terms of the constraints for local government to become involved in the governance of the issues. They are both issues which are tightly regulated by central government. They both also involve what Barlow and Clarke (2002:87) argue used to be ‘common resource property’ – namely air and water. However, the ghost ships issue represents a contested threat of pollution, whilst the flooding issue was concerned with the co-ordination of a privatised former public utility. Regulation occupies a central position in the privatisation of water, according to Bakker (2004). The process of regulation is undertaken by sanctioned actors – including government, politicians, regulators, companies, labour and consumers (Bakker 2003:ix). Bakker asserts that government appointed regulators (Ofwat and Water Voice) occupy a strategic role in the process of regulation, but they are not the only actors. Bakker (2003:3-4) views the privatisation of water as a process of socio-economic and socio-environmental ‘re-regulation’, through which the state has reconfigured its role. The issue differs from the ghost ships in this respect because the regulatory framework reflects, and more readily accommodates, the views of the public. A further difference between these issues was that the regulators were heavily involved in the ghost ships issue, largely leading the process in separation from scrutiny. Consequently, it was far easier for scrutiny to

create a space in the governance arrangements of the flooding issue and the local authority was less constrained by the regulatory framework as a result.

The formal powers of local government in relation to the ghost ships case study are quite straightforward in that they relate to the planning role of a local authority. This function compels a local authority to grant or deny planning permission through taking (only) material considerations into account. However, whilst the planning powers ultimately proved to be crucial in this case study, they were also tightly prescribed in terms of their implementation, which simultaneously constrains the role of local authorities in the governance system. Furthermore, the statutory and regulatory roles of the EA and HSE¹⁰¹ were constraining factors that limited the scope for the well-being powers of local authorities to affect the outcomes of this issue. Whilst the council was consulted about the contract, and the TFS, WML and exemption to the importation of asbestos in particular, the framework here was clear and the decisions of the regulatory agencies about whether Able UK was qualified to carry out the contract were the determining factors for this issue – that was until the planning issue emerged. These bodies have clear roles given to them in a hierarchical system controlled by central government. The sovereignty of central government over local government is significant in terms of the control the former can exert over the latter, according to Weir and Beetham (1999). Consequently, the responsibilities of actors within an active and tightly regulated system were determined by central government and there was limited scope for the ‘opportunities’ of the modernisation agenda to influence this.

Kooiman (2003:18) argues that, ‘the more space an interaction creates the more freedom there is for actors to select the values, goals and interests they want to strive after. Conversely, the more inhibiting and controlled an interaction, the more it will influence action contrary to the aspirations of those participating in it.’ The governance context for both the flooding and ghost ships issues were both tightly prescribed. However, the flooding inquiry was able to create enhanced policy space through the interactions it had with residents and the private sector. It has been argued that the ‘space’ for interaction was smaller for the ghost ships inquiry than for flooding and that the interactions occurred at a

¹⁰¹ Which are outlined in the case study chapter.

higher level in the governance hierarchy. As a consequence the opportunities (highlighted above) that the local government modernisation agenda creates for the role of local authorities in local governance were correspondingly constrained.

The skateboarding case study illustrates an issue in which the policy space for the local authority was relatively open. However, the council found itself constrained by the challenges that the global trend in skateboarding activity placed on its existing, and traditional, leisure service provision. The council was unable to generate a desirable partnership arrangement either through using central government grants or private investment to respond to the risk generated by this issue. Consequently, the local authority could not reach an agreement with potential partners over a how to improve social outcomes in relation to this issue. This highlights the potential for the requirement to work in partnerships constraining the outcomes of local government, whilst expending a lot of time and resources in attempting to achieve governance solutions.

Stewart (2003:221) argues that, 'there is a general problem with the government's approach to local government and to the modernisation programme. There has been little understanding of the problems of managing with and through other organisations and in particular of the management of change in an inter-organisational setting.' The ghost ships and health inequalities support Stewart's argument in different respects. It has been argued here that the local authority had a number of roles (planning, community leadership and scrutiny) in relation to the ghost ships issue; the case study demonstrates that these roles were not effectively co-ordinated internally, and the lack of internal co-ordination was mirrored in the local authority's capacity to co-ordinate external processes. Whereas, the relative lack of success of the health inequalities inquiry highlights how the new health scrutiny function has been introduced with limited consideration given to the management of a changing role for local government within an inter-organisational setting.

Summary of section 9.3

Stoker (2004:59) argues that New Labour's approach to local government has suggested a shift in the purpose or justification of state intervention and consequently a key issue is to design local institutions so that they can encourage private, business and voluntary sector contributions to achieving social outcomes. New Labour's approach (to governance) arguably extends the Conservatives' focus on efficiency to a focus on effectiveness, which implies clarity about intentions and hence a concern with outcomes (Stoker 2004:60). The local government modernisation agenda has equipped local authorities to function more effectively in this context as the powers of well-being, the community leadership role, and scrutiny can provide a greater space for local authorities to operate in, particularly in terms of encouraging private sector contributions to achieving social outcomes. However, local authorities are operating in a complex governance system. Consequently, the roles and responsibilities of other actors can be poorly understood by local authorities, which act as a constraint to local authorities achieving optimal outcomes in the governance system. Furthermore, tightly regulated issues, such as the ghost ships issue, can lead to local authorities having tightly constrained roles despite the local consequences of these issues demanding a response from a council as the representative body in the locality.

9.4) Conclusions

This chapter has sought to identify the extent to which political and systemic risks are evident in the scrutiny case studies. Table four summarises the findings from this analysis in respect of each case study. In addition the influence of global forces has been demonstrated as an important driver in three respects: first, they contributed to each scrutiny issue being identified as problematic within the locality; second, the governance solutions available to local government are themselves shaped by endogenous policy responses to the influence of globalisation; and, third, local governance solutions may be by definition highly constrained in their ability to solve the local manifestations of global problems.

10) Scrutiny, Governance and the State

10.1) Introduction

This chapter continues the analysis begun in the previous chapter. In the first instance it focuses on research questions three and four, which are concerned with how far scrutiny is equipped to contribute to governance (and not just government) outcomes and how scrutiny is influencing wider processes of governance more generally. Next Stacey's (1996) agreement/certainty matrix is employed to understand the role and impact of scrutiny in managing the political and systemic risks outlined in the previous chapter. Finally, the case study data is analysed in relation to the fifth core research question, which is concerned with what the study of scrutiny is teaching us about the changing role of the state. In particular the role of the state is explored in the light of a number of key themes that have emerged from the analysis of the preceding four research questions. These themes comprise: risk to legitimacy; public/pressure group engagement; regulation; and certainty/agreement.

10.2) Meeting the Aspirations, Expectations and Responsibilities of Scrutiny

A central concern of this thesis is the role of scrutiny within the broader shift from government to governance. According to Rhodes (1996:655), 'the transformation of the public sector involves "less government" (or less rowing) but "more governance" (or more steering).' Thus, John (1997:255) argues that, 'the relative simplicity of government by large locally-elected authorities has given way to governance by networks of public, semi-public and private organisations.' In this context there is an implied acceptance of the limits to (local) state action and a recognition of the considerable scope for contributions to solving societal problems from the voluntary and business sectors and individual citizens (Stoker 2004:59). According to Stoker (2004:59) governance suggests an end to direct, in-house service provision and a more open-minded approach to procurement; it involves more negotiation and bargaining, which legitimises many stakeholders and participants; encourages the search for consent from the public beyond elective democracy; and suggests a key role for government as a facilitative leader. These developments have a fundamental

influence on scrutiny's operating environment, and particularly in relation to its *aspirations, expectations, and responsibilities*.

The developments highlighted above represent an emerging and continuously developing context, in which more traditional forms of government operate to varying degrees depending on the issue. The focus of scrutiny must, therefore, increasingly fall outside the boundaries of *government* because while local government is a major (if not the major) actor in this context its powers are shared with many other organisations, especially in relation to service-delivery and regulation. Consequently, the scrutiny function has to develop an understanding of the changing nature of governance in general and, more especially, in relation to its particular local context and issues. The complexities and emergent nature of this governance system can place pressures on a local authority's resources and raise questions about the capacity of councillors and officers to fully understand these new contexts and their roles within it. It is, therefore, necessary to consider whether scrutiny has the powers, resources and ambition to embrace the other agencies and partnership relationships in the local governance system.

The previous chapter highlighted the importance of globalisation, risk and governed interdependence to the case study issues, and the opportunities and constraints for local authorities to act within this context. We are now exploring the capacity, powers and resources of scrutiny to function in this context, for which interaction can be a key factor. Interaction is a central component of governance in two respects, according to Kooiman (2003:24). Firstly, interactions are significant in terms of the social-political governance interactions, and secondly, interaction acts as a means to deal with the diversity, complexity and dynamics of modern societies. Given the inherent flexibility of the scrutiny function, scrutiny forums are well placed to enter into governance interactions. These interactions can be between scrutiny and the responsible governance agencies (through which scrutiny can generate knowledge of the governance arrangements of the section/s of society it is investigating¹⁰²), and between scrutiny and the public and interest groups (through which scrutiny can enter into social-political interactions, to seek to enhance its influence).

¹⁰² The flooding and skateboarding inquiries were particularly successful in adopting this approach.

Levels of public engagement proved to be a key determining factor in the outcomes of the scrutiny inquiries, particularly in relation to the aspirations, expectations and responsibilities placed on, or generated by scrutiny. Public engagement varied across the scrutiny case studies with the flooding inquiry representing the most sustained and coherent interactions between scrutiny and the public. The ghost ships inquiry also witnessed high levels of public engagement with scrutiny but this was more of a 'short burst' of engagement, resulting in lower levels of agreement about objectives. The skateboarding inquiry was successful in engaging with the public, through responding to public concerns about skateboarding and through affectively co-opting young skaters onto the forum. The health inequalities inquiry, however, failed to engage with the public, as no members of the public attended the scrutiny inquiry.

The flooding inquiry provides a good example of how scrutiny can engage with high levels of public interest and effectively integrate the public's aspirations into a scrutiny inquiry. There were two (somewhat) contradictory (although not unrelated) consequences of this. Firstly, the public's aspiration was coherent and strongly felt – they could not understand how the flooding of their homes was allowed to happen under any circumstances. However, scrutiny did not have the powers to meet the public's aspirations by preventing this from happening, although it could exert influence over the main service provider. Secondly, the high levels of public involvement served to enhance the capacity and ability of scrutiny to influence the decision-making process, by giving extra weight to its voice¹⁰³. It was widely acknowledged (by council officers and Northumbrian Water) that the scrutiny process moved improvements to Hartlepool's water system up Northumbrian Water's agenda for improvements. This was achieved through an in-depth, evidence based inquiry with high levels of public engagement. Therefore, scrutiny was able to meet some of the aspirations and expectations it sought to engage with, and were placed on it.

It is argued in the skateboarding case study that the inquiry was an example of the scrutiny process responding to and engaging with public opinion, although the issue did not provoke as strong a public response as the flooding and ghost ships inquiries. Nevertheless, a trend has emerged across the case studies of scrutiny being able to engage with public

¹⁰³ i.e. the forum could claim to be representing the public's views when making its recommendations.

aspirations, which requires a wider role for local government linked to the notion of community leadership and the representative legitimacy of local authorities in the face of political risks. Adopting this type of role requires scrutiny to develop a capacity to think beyond local government's traditional service delivery activities and responsibilities. This can be a challenging role for councillors and officers to adapt to, as the health inequalities inquiry proves. The NHS is a complex and specialised field, of which most members and officers have limited familiarity or understanding. Consequently, during the scoping of the inquiry it was agreed that the issue of health inequalities would serve the dual purpose of familiarising councillors with the workings of the health service, while exploring a key health issue. However, there was a lack of clarity in member and officer aspirations and expectations over the outcomes to be secured from the inquiry.

The health inequalities case study also demonstrates considerable aspirations from central government for local government's role in relation to this issue. A Labour Party (2002) consultation document, *Improving Health and Social Care*, argued that extending the local government scrutiny role to encompass health seems logical. This document also suggests that local authorities are arguably best placed to facilitate health promotion. Furthermore, as community leaders, local authorities can provide a democratically accountable co-ordination of the many relevant services – many of which are already provided by local government, including social care, education, housing, leisure and transport (Wistow and Banaras 2005:36). Despite creating these new powers and responsibilities for scrutiny, central government has made no additional resources available apart from a one off payment of £2.25 million to the Centre for Public Scrutiny (CFPS) to aid the long-term development of health scrutiny. However, given the broad equivalence in size of the council's budget and that available to Hartlepool PCT for purchasing health services for the same population¹⁰⁴, it is possible to argue that the assistance provided to local government to fulfil this complex new role has been limited. In addition, the local health and social care scrutiny forum was regarded as a particularly *weak* forum within the authority in terms of its membership, whilst the officer support was lacking in knowledge and experience of the NHS¹⁰⁵. These factors combined to ensure that (internal) expectations were relatively

¹⁰⁴ Consequently, it could be argued that the responsibilities of local government scrutiny have in some respects been doubled.

¹⁰⁵ During the first year of formal health scrutiny.

low and, to that extent, accurately reflected the capacity and capability of health scrutiny in Hartlepool to fulfil its new responsibilities, i.e the forum focused on a learning and development role for its first inquiry, rather than seeking to influence the development of health services at this stage.

The aspirations of the scrutiny function for the ghost ships inquiry were linked to the external scrutiny role as a response to external political pressures on councillors from local residents and pressure groups. In contrast the pressure to establish internal accountability received scant regard. Thus, the inquiry explored the implications for the local economy including employment, the town's image, the well-being of residents, and environmental impacts. Consequently, the aspirations for this inquiry were extensive, and through the terms of reference of the inquiry substantial expectations were raised amongst councillors and the public. The ability to call a public meeting for such an emotive issue was a powerful resource for scrutiny, and generated the capacity through which the aspirations of most of the actors could be expressed. In this respect scrutiny can be a vehicle for enhancing social-political governance interactions. However, fulfilling this role also places *expectations* on scrutiny to deal with the diversity, complexity and dynamics of the governance issue. So whilst a route was created into the governance of the ghost ships issue it is also apparent that the local authority struggled to affect the outcomes of the issue outside of its planning role. The flooding and skateboarding inquiries witnessed a similar relationship between the heightened expectations placed on scrutiny through successfully engaging with the aspirations of actors (most notably the public). Both of these inquiries (in particular flooding) were more successful in meeting the expectations of the public and partners they engaged with.

By engaging with the public's aspirations (and those of partners) scrutiny can enhance the political and systemic legitimacy of the local authority. However, this also enhances the expectations and responsibilities on scrutiny to contribute to, or to deliver, governed interdependence. The flooding case study, in particular, demonstrated that scrutiny can play a lead role in achieving these outcomes. However, the ghost ships and health inequalities case studies show that the capacity and powers of scrutiny may not be sufficient to meet the responsibilities it generates for itself. In this respect public

engagement can be a double edged sword, potentially enhancing scrutiny's influence, while also inflating the expectations and perceived responsibilities of scrutiny.

Kooiman (2003) account of the 'structural dimension of governing interactions' provides a further conceptual tool for understanding the difference between the case studies. He defines (2003:15) this as, 'the stable and enduring patterns, contexts or conditions ensuring that they (governing interactions) don't fall down or apart.' The structural dimensions of governing interactions point to the material, social and cultural contexts in which interactions come about; consisting of those circumstances that limit, broaden and at the same time condition its intentional level, this in turn encompasses: institutions, general social constructs, patterns of communication, material and technological possibilities, and societal power distributions (Kooiman 2003:15). Consequently, the intentional, or actor, level of governing interactions is concerned with governing situations and these are situated within structural contexts, which can enable or constrain interactions.

The case studies demonstrate the importance of gaining an understanding of the structural dimensions to governing interactions, for any given issue, prior to pursuing a scrutiny inquiry so that expectations can be kept to a realistic level. However, given the complexities of governance and governance interactions it is not always possible to gain such an understanding during the course of an inquiry, let alone prior to one. Given the limited powers of scrutiny to direct change within the governance system this can lead to scrutiny appearing not to fulfil its responsibilities. It is important to recognise, however, that the sources of such apparent 'failure' may lie both in the unrealistic expectations attached to any given inquiry and the inherent weaknesses of the functions, powers and resources of scrutiny, and local government, in the wider local governance system. It follows, therefore, that if scrutiny is to maximise its influence it must combine realism about its powers and resources with a proper understanding of the governing interactions within which it is structured and located.

10.3) Influence of scrutiny on wider processes of governance

It has been argued, in the sections above, that governed interdependence is not always evident (in terms of either being recognised, or being present) in the governance system, and nor is it always considered whether it *ought* to be for the system to be legitimate and efficient. If, in practice, interdependencies are not being maximised then that might partly be because the agents in the system are so used to working separately, and do not know how to make the connections (or have the capacity to do so) between different agents/institutions in interorganisational networks. One of the roles of the LSP is to create capacity here for other actors but the case studies draw attention to limited interaction with the LSP in relation to the scrutiny inquiries. Nevertheless, scrutiny has a key role here, because by its nature it is a fluid and flexible tool, and is largely (but not entirely) a non-hierarchical part of the governance system. The potential of scrutiny is to look across hierarchies and networks and make connections that the individual parts of the governance system may not see. It can, therefore, encourage/recommend strategies for maximising interdependencies in the interorganisational system of governance. To do so scrutiny's position within the power structures of a given issue are key.

Stewart (2003:9) identifies two different concepts of the role of local government, these are; firstly, to provide services – many of which are required by national legislation, and secondly, as a political institution constituted for local self-government extending beyond the provision of these services. Consequently, scrutiny should seek to influence the local authority along both these lines. In relation to the former scrutiny provides a traditional *government* accountability role. The second role is more complex as scrutiny can influence the executive's role in relation to this and/or adopt this role itself.

Johnson and Hatter (2004:5) outline a critical factor in the development of scrutiny; 'of the thirty-eight sections within Part II of the Local Government Act 2000, only one deals with "Overview and Scrutiny"... the act is not prescriptive about how overview and scrutiny should be organised or what powers it should have; all that is outlined is what overview and scrutiny should achieve. It is thus up to the executive to confer powers on the overview and scrutiny committee rather than for overview and scrutiny to have them automatically by

right.’ Consequently, scrutiny must seek to influence the executive and external partners but Johnson and Hatter (2004:9) assert that their interviews suggest there seems to be limited respect for the scrutiny function amongst elected members, it is viewed as a secondary function to the executive and largely peripheral. This view is borne out by my insider-research experience. The significance of this to the influence of scrutiny is that there has been, according to Johnson and Hatter (2004:9), ‘the negative influence of self-fulfilling prophecies in overview and scrutiny: many councillors believe it can achieve little, and so it has.’

A recurrent theme of this chapter and chapter nine has been the development of a community leadership role in all the case studies, which is of considerable significance to the influence of scrutiny. Whether this has been linked to more formalised scrutiny powers (health inequalities), developed in conjunction with the executive (skateboarding), or advanced through scrutiny’s investigations (flooding and ghost ships), this role has provided a path for scrutiny into the governance arrangements of the issues under investigation and, therefore, a route to influence wider processes of governance. This supports Stewart’s (2003:12) argument that this is a positive role through which local authorities can respond to the challenges and opportunities facing them. However, a notable feature of the ghost ships case study is that a lot of time was spent on attempting to extend the values of scrutiny outwards with some, but generally limited, success. Scrutiny was unable to take a lead in co-ordinating this issue; however, given the responsibilities of regulatory bodies here it is not necessarily a role it should fulfil because of their technical expertise. Nevertheless, an important contradiction in the modernisation agenda is identified through the limitations this placed on the local authority to fulfil a community leadership role for a matter of considerable local concern. The flooding and skateboarding inquiries fared much better in this respect, the reasons for which are explained below.

The flooding case study provides a good example of scrutiny influencing an issue for which the local authority had limited service delivery responsibilities. Consequently, the characteristics of scrutiny, in relation to this issue, as a local government reform bears less relevance to the executive-scrutiny split than it does to the community leadership role. As a result scrutiny functioned more as a *governance* rather than *government* actor during this

case study inquiry. This was achieved by adopting a policy development role in an area where the council was lacking a coherent policy to inform its interaction with Northumbrian Water, and where there were some shared objectives amongst partners about desired outcomes, which led to a relatively open space for scrutiny to exert its influence. Furthermore, a senior officer actively engaged with the scrutiny process in seeking to develop a policy here, which enhanced scrutiny's capacity and influence. It has also been argued in the previous section that the inquiry achieved two key requirements to enhance scrutiny's influence; *knowledge* – through in-depth and evidence based research – and *public involvement*. As the case study has demonstrated this served to augment scrutiny's capacity to: influence the executive to support a more co-ordinated governance role; and, influence Northumbrian Water's priorities for 'future works'.

It has been argued earlier that the skateboarding inquiry has a number of similarities to the flooding inquiry. Over the course of the skateboarding inquiry the scrutiny forum developed its own routes into the governance system as it engaged with the public and interest groups (i.e. local skaters) over this issue. Senior officers from the community services department were also closely involved in supporting the scrutiny process. Scrutiny was instrumental in developing reasonably high levels of governed interdependence for this issue. This is particularly true from the local authority's perspective because various potential partnerships were explored through the scrutiny process and judged to be poor value for the local authority. The businesses and neighbouring local authorities may not have been pleased with the outcome (influenced by scrutiny) but strong connections between a variety of governance actors were in evidence in reaching this conclusion. However, this issue shows scrutiny being influential in an area of non-decision making. It is speculative to assert that had scrutiny made robust recommendations for further skateboard provision¹⁰⁶ in the town, which required additional resources, that the executive may have rejected these. Nevertheless, the key factor here was there was not sufficient public pressure to influence scrutiny or the executive to recommend a change in leisure service provision.

¹⁰⁶ Rather than the 'loose' recommendations that short term improvements for the existing skate park should be 'looked at', and that in the longer term development of the sport should be pursued dependent on resources.

Through the government's health inequalities agenda and the health scrutiny powers, local authorities have a key role in tackling health inequalities which, by definition, makes the topic a legitimate one for the scrutiny of their internal functions (Wistow and Banaras 2005:37). In addition, the community leadership role, with its emphasis on the well-being of local residents, places a clear responsibility on councils to examine the impact of health inequalities locally. In summary therefore, the role of scrutiny in relation to health inequalities can be fivefold:

- to scrutinise internal local authority contributions to the reduction of health inequalities;
- to scrutinise the work of local NHS bodies in addressing health inequalities;
- to scrutinise partnership working between local authority, NHS and other bodies in this field;
- to assess the impact of all these activities on health outcomes for local people; and
- to make recommendations to the appropriate bodies in relation to scrutiny findings derived from the four roles above (Wistow and Banaras 2005:37).

It should follow that scrutiny seeks to exert influence across all five of these roles. Nonetheless, it has been argued in the health inequalities case study chapter, earlier in this chapter and chapter nine, that in Hartlepool the scrutiny function did not meet these challenging new roles effectively. Indeed, in the previous section the limited capacity of councillors and scrutiny officers to fulfil the new health scrutiny role (at the time of the first health scrutiny inquiry) is reflected upon, as are the relatively low expectations that resulted from this. Furthermore, within the council the departmental lead for this issue was a 'weak' presence in the scrutiny forum, who appeared unable to drive the issue forward in scrutiny. As a consequence the potential to influence the executive to fulfil the local authority's broader community leadership role was limited by these factors. In these circumstances a health scrutiny committee can do little more, especially in the first instance, than extend the understanding of officers and members about the issue locally, and then begin to form judgements about approaches geared towards tackling health inequalities that are being implemented in the locality. To do so scrutiny needs to *run hard to catch up* with NHS expertise before it can reasonably expect to influence policy

outcomes (Wistow and Banaras 2005:41). The consequences of the above points are quite pronounced in limiting the influence of scrutiny on wider processes of governance, which is somewhat surprising given the distinctive and more formalised role of scrutiny in relation to this issue. The tools to influence governance processes were (largely) in place, but the capacity was lacking,

The ghost ships case study represents a missed opportunity for scrutiny, which has had serious ramifications for the political climate in the case study authority ever since, as non-executive councillors' relationships with the executive and senior officers have progressively worsened. There is a lack of trust between these factions. Central to this is the perception amongst non executive members that they are not being provided with sufficient information and that they are not being included in running the council. Indeed, the Select Committee on Transport Local Government and the Regions (SCTLG&R 2002:2) suggested that non-executive members feel excluded and less well-informed, which impacts on their role as 'community leaders'. The committee concluded that this has been too easily dismissed as a transitional, rather than inherent, problem with the legislation. However, during the ghost ships inquiry scrutiny (largely) missed the opportunity to focus on the internal dissatisfaction with political management arrangements, and, therefore, to make detailed recommendations about how the working relationship between executive and non-executive members should be developed. Scrutiny did recommend that the mayor should reconsider the use of informal cabinet to which it has had no response to date. However, this recommendation was not based on in-depth research, indeed the executive was not called to scrutiny to provide evidence¹⁰⁷. Consequently, scrutiny missed a key area of influence for this inquiry.

The ghost ships and health inequalities inquiries have a couple of common threads that contribute to the limited influence they exerted over these issues. Firstly, neither inquiry has been completed. Consequently, the influence of these inquiries has been limited to any interim recommendations they made and the informal influence the scrutiny process may have had over those coming into contact with it. The second thread may have contributed to the first, and is that for both case studies scrutiny was unable to take the lead for the

¹⁰⁷ Although most cabinet members attended the open public meeting on 31st October 2003.

issue. Indeed, they were both part of broad governance processes, where the local authority itself was one of a number of partners operating in hierarchical governance arrangements. The ‘intentional levels’ of interactions¹⁰⁸ and in particular the patterns of communications between actors and the institutional arrangements (Kooiman 2003:15) were more constraining for these issues (for the ghost ships because actors were competing for a stake in the process in a limited policy space, and for health inequalities because the local authority had not yet come to terms with the complexity of the health scrutiny role) than for the flooding and skateboarding inquiries, where scrutiny could exert more influence through successfully becoming the lead governance actor for the issue. Finally, and despite the successes and failures of the case study inquiries, two areas of influence can be identified for scrutiny in the wider processes of governance. These are: firstly, creating conditions for governance (which relates to the notion of systemic risk – outlined in the previous chapter), and secondly, defusing political issues/risks.

10.4) Certainty and Agreement in the Scrutiny Case Studies

Both this chapter and chapter nine have identified a number of similarities and differences across the case studies, when analysed against the first four research questions¹⁰⁹. It is, therefore, clear that governance arrangements, outcomes, and solutions vary by issue. Consequently, a key question emerges; how are we to understand these variations and what does it mean for the effective conduct of scrutiny in the future?

As a reform of the local government modernisation agenda scrutiny can be seen to be entering into the governance of issues to minimise the risk of sub-optimal outcomes. To do so scrutiny needs a strategy and Stacey’s (2000) *certainty/agreement matrix* provides a framework for doing this. Stacey proposed a matrix to help with management and leadership by identifying management decisions across two dimensions: the degree of certainty and the level of agreement (Zimmerman et al 2001:137). The dimensions of the matrix are outlined below:

¹⁰⁸ See previous section.

¹⁰⁹ These were devised from the methodology, theoretical framework and policy analysis of the modernisation agenda.

- *Close to certainty*: cause-and-effect linkages can be determined. Often based on very similar issues/decisions that have been made in the past.
- *Far from certainty*: these situations are often unique or new to decision-makers. Cause-and-effect linkages are not clear.
- *Agreement*: The vertical axis measures the level of agreement about an issue or decision within the group, team or organisation (Zimmerman et al 2001:137).

Stacey (2000:86) argues that where causal connections are clear and objectives are shared, the conditions exist for actors to take decisions in a rational-logical way. However, the further they move away from these conditions the more the need for another approach becomes evident. Where the causal connections are clear but actors disagree, those with the greatest power will prevail; and where actors agree but the causal connections are unclear they will need to use judgement and intuitive modes of decision making, thinking laterally and using trial and error processes (Stacey 2000:86).

The argument being developed here is that (in relation to scrutiny) there are inherent opportunities and limitations for individual scrutiny inquiries (as outlined in the first bullet-point below), and therefore for its ability to exert control over an issue. There are also inherent opportunities and limitations for each case study issue (as outlined in the second bullet-point below). For example, if scrutiny is often used to ‘solve’ issues of high uncertainty and low agreement then it will be ‘working against the grain’, which may undermine members confidence in the process. This can be seen as contributing to the negative self-fulfilling prophecies of scrutiny members, which has been discussed above. Consequently, there are two issues that surface in relation to the certainty/agreement matrix:

- *Firstly; opportunities and constraints inherent in the scrutiny function* – these are linked to the powers, resources and capacity of scrutiny, and the focus here is on the effectiveness of scrutiny in ‘unpicking’ the governance issue.

- *Secondly; opportunities and constraints inherent in the individual governance issue.*

The notion of risk is very important to these; in terms of the risk that through governance acceptable/desirable solutions to issues will not be found. Consequently, sub-optimal governance outcomes are a risk to each of the scrutiny case studies at their inception.

In relation to the first point it is possible to re-conceptualise scrutiny's role as a researcher in the governance system, particularly in relation to the policy development and review role of scrutiny based on developing in-depth and evidence based inquiries. Consequently, Stacey (2000:99) outlines the researcher (scrutiny) taking the position of the objective observer of the organisational system (governance arrangements for the case study issue), describing and prescribing modes of decision making and control appropriate for different situations. By adopting this analytical role scrutiny can bring the other governance actors together and encourage governed interdependence. However, a note of caution should be sounded here as members of the scrutiny process are not objective observers. They are elected members who are involved in party politics¹¹⁰, they respond to local constituency issues (often at the expense of working towards the bigger picture), and scrutiny support is part of the officer hierarchy which has its own competing pressures.

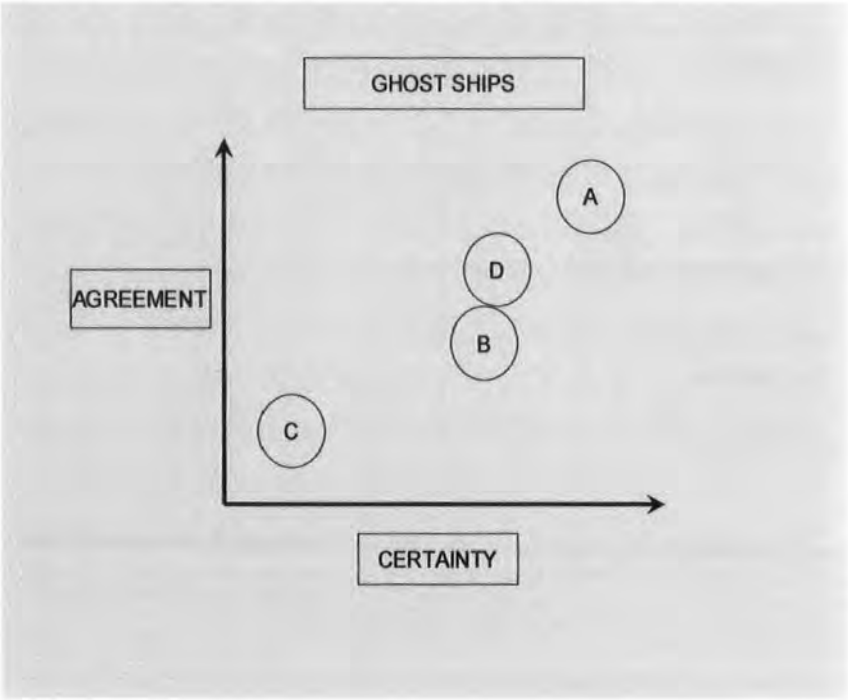
If the scrutiny process is to be as effective as possible there needs to be an understanding that there are different routes to take according to the nature of the issue, for which it is necessary to understand how much agreement there is about the objectives, and how much certainty there is about the relationship between cause and effect (Zimmerman 2001:136). Without this certainty and agreement there is limited potential for control. Consequently, Stacey (2000:99) argues that modes of decision making and control (must) change as levels of uncertainty and disagreement rise. Scrutiny is not a decision making function, so consequently it must seek to influence decision makers through responding to levels of certainty and agreement.

¹¹⁰ And despite the government's guidance suggesting otherwise it is naïve, and somewhat unreasonable, to expect members elected as representatives of political parties to behave as though they were not members of political groups.

By applying Stacey’s matrix to the scrutiny case studies the level of agreement and certainty (i.e. high, medium, or low¹¹¹) will be explored prior to scrutiny’s involvement in the issue and represented in figures one to four. The issue will then be plotted over the course of the scrutiny inquiry so that the development of the issue can be traced. It will then be possible to ascertain what strategy could have been used to maximise the influence of scrutiny, although it may be that the constraints inherent in the issue mean that little or nothing could have been done by scrutiny.

Ghost Ships

Figure 1: The Ghost Ships certainty/agreement.



- A. The first phase of the ghost ships issue is represented at **point A** on figure one and illustrates high levels of agreement and certainty about the issue. At this stage the only actors involved in the issue were those with direct involvement in the contract, whether in terms of negotiating, carrying out, or regulating it. All the regulatory

¹¹¹ Based on my perceptions as an insider researcher.

bodies agreed that Able UK was qualified to carry out the contract and that the necessary permissions were either in place, or were soon to be in place.

- B. **Point B** relates to the second phase of the ghost ships issue. This covers the period leading up to the referral of this issue from full council to scrutiny on 11th September 2003. A number of new actors had become involved in the process including the media, Friends of the Earth, local residents, and councillors. The issue became controversial and the levels of agreement began to decrease as the number of participants increased. Nevertheless, there were still high levels of certainty amongst the bodies responsible for the contract that it could be carried out in Hartlepool. Indeed the WML was issued on the 30th September by the EA after it had co-ordinated discussions with the council, HSE, Maritime Agency and Tees Port Authority¹¹². However, the EA also admitted that they were aware at this stage of some confusion within the council over the planning permission to construct a dry dock. In summary, as the issue became increasingly public the level of agreement reduced. This in turn reduced levels of certainty, although the responsible bodies continued to push for the necessary permissions and licences to be in place.
- C. During the scrutiny inquiry a number of events outside the scrutiny process had a significant impact on the issue. Firstly, the council pre-empted scrutiny's findings and voted on 4th November 2003 that the government should be asked to ensure the ships were turned back. The impact of this was a further reduction in the level of agreement about the objectives, whilst the ships, themselves, still arrived in Hartlepool and as a result public hostility grew. A second key event outside of (but during) the scrutiny process was a high court ruling that the ships were not covered under Able UK's existing permission to construct a bund for the dismantling of marine structures. Subsequently, on 18th December 2003 the council's planning committee ruled the planning permission was not extant. Consequently, Able was unable to fulfil its part of the ship dismantling contract, and therefore the extent of certainty effectively collapsed, thereby undermining the extent of systemic

¹¹² According to evidence they provided at the Environment, Food and Rural Affairs Select Committee (EF&RASC) meeting on 19th November 2003.

legitimacy in this case. For its part the scrutiny process had proven to be an effective forum for voicing public and interest group concerns, and for the various regulatory bodies and Able to respond to these. However, very little emerged from scrutiny meetings in terms of agreement between the opposing viewpoints. Outside of scrutiny the EA was forced to concede that the WML was no longer valid on 30th October 2003. Consequently, by late 2003 and early 2004 there was very little agreement or certainty about the issue. Four of the ships were in Hartlepool and it was unclear whether they would be allowed to stay, let alone be dismantled.

- D. In the months following the court rulings and planning committee decision in December 2003 the position was both clarified but remained in limbo. While agreement on ultimate objectives remained low there was a wide consensus that no further actions could immediately be taken. Able UK need to submit a new planning application for the construction of dry dock at its Graythorp site so as to be able to fulfil the contract. As part of this process they need to undergo a new environmental impact assessment, the terms of which need to be negotiated by the EA, Hartlepool Council and Able UK. I understand that the delay in the process has been due to a difference in opinion; largely between Able and the EA and the council over what this should contain. The scrutiny process, and the broader political process, has been put on hold whilst the planning issue is resolved. Some local residents¹¹³ and interest groups remain in opposition to the ships being dismantled in Hartlepool. Nevertheless, at this stage there are relatively high levels of certainty and agreement over what needs to be done i.e. Able needs to submit a planning application before the situation can change. However, these could both deteriorate when the planning issue becomes 'live' and public.

In summary, the ghost ships case study does not represent a great success for scrutiny in terms of governed interdependence. The reasons for this can be attributed to the fact that scrutiny was one of many actors staking a claim to this issue. It has been argued in the previous chapter that this case study is consistent with Beck's (1992) notion of 'recognised

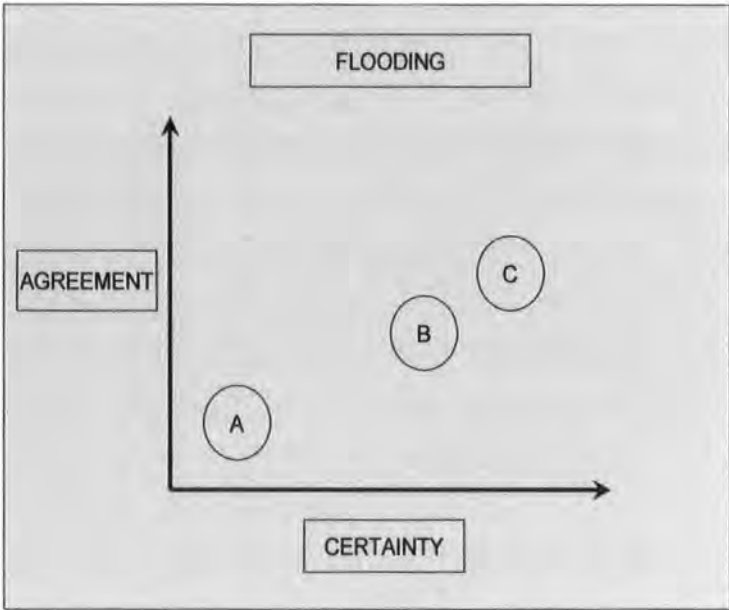
¹¹³ The issue surfaces reasonably frequently in the local newspapers letters pages, and has been raised a few times in council where it cannot be 'opened up' because of the planning issue.

modernisation risks', in which greater public involvement leads to many actors wanting to 'have their say' over an issue but not from comparable technical precepts. In turn both certainty and agreement diminish. Indeed, the evidence from this case study supports Stacey's (2000) notion that where actors disagree, those with the greatest power will prevail. In this case these were the regulatory bodies initially and ultimately the council's planning committee and the high court.

The way in which this item appeared on scrutiny's agenda is central to the limited efficacy of the scrutiny process. The referral from the responsible portfolio holder came to scrutiny whilst the levels of agreement and certainty were rapidly diminishing. Scrutiny lacked the influence and power to drive this issue forward. Nevertheless, the scrutiny committee attempted to adopt a lead governance actor role through focusing on the overall co-ordination of the issue. Through this approach members' of the committee, and to a lesser extent the public, gained a better understanding of the issue. However, only limited improvements in certainty resulted because the level of agreement about causal connections remained low amongst the various actors involved in the process.

It has been argued earlier in this chapter that if the committee had focused on the council's internal accountability processes that it may have led to a more cohesive view emerging from the council, through which scrutiny could have exerted greater influence. By undertaking such a broad line of inquiry the committee was exploring the issue across the wider governance system. However, the various actors involved in this issue network were not compelled to follow scrutiny's recommendations. The relative lack of importance external governance actors placed on the input of scrutiny is demonstrated through the mayor, and not scrutiny, being asked to respond to the EF&RASC's report into this matter. Indeed, it seems evident that scrutiny had been drawn into an issue for which it had very limited powers or competence. Whilst these weaknesses are apparent in most of the case studies, scrutiny especially lacked the capacity to become an effective governing actor in such a tightly regulated issue, operating across global, national and local levels.

Figure 2: Flooding certainty/agreement



A. **Point A** on the graph represents the position of the governance issue on the *certainty/agreement matrix* prior to the scrutiny process beginning. There were low levels of both certainty and agreement in the governance network for the flooding issue at this stage. There was a ‘build-up’ of public concern about flooding in Hartlepool leading up to the scrutiny inquiry. Certain (affected) sections of the public were hostile towards Northumbrian Water following a number of local floods from the sewage system. Consequently, the councillors exercised their community leadership role by selecting this topic for scrutiny and thereby responding to public opinion¹¹⁴. Within the locality there were high levels of uncertainty amongst sections of the public, councillors and council officers over the responsibilities of different bodies for this issue. This was coupled with poor communications between Northumbrian Water, the council and the public during incidences of flooding. Consequently, there were low levels of certainty as a result of the limited

¹¹⁴ In addition, from my insider-researcher perspective the public *tone* of hostility was reflected amongst councillors, which carried over into the early stages of the inquiry.

co-ordination within the network, and this was combined with high levels of disagreement¹¹⁵ over the level of service being provided.

B. Despite differences in opinion over the level of protection that homes should receive from flooding, it was clear from the outset that the scrutiny forum, council officers and Northumbrian Water were in agreement about trying to address the town's flooding problems. The scrutiny process was successful in bringing Northumbrian Water, the council and residents together. This immediately improved the communications between the various actors and provided the policy space for those actors to develop more formal communication protocols through the scrutiny recommendations. However, the public scrutiny meetings were frequently fairly hostile and tense encounters. The public, and most councillors, could not understand how houses could be allowed to become flooded with sewage. Indeed, a key recommendation of the inquiry was that it is not acceptable for people to have their homes flooded with sewage. However, Northumbrian Water is only responsible for protecting homes from a one in twenty year rainfall event, a message they continued to emphasise in the forum and with partial success. Generally the scrutiny process proved to be successful in enhancing the levels of certainty and agreement for this issue, which is represented by **Point B** on the graph above.

C. Following the scrutiny inquiry there were improved levels of agreement and certainty for this issue as a result of the investigation. It is demonstrated earlier in this chapter and the flooding case study that the scrutiny process for this issue did much to encourage improved co-ordination between service providers and the public. Therefore the level of certainty was high following the scrutiny inquiry. The level of agreement at this stage was medium to high because the public and councillors became much less hostile¹¹⁶ to Northumbrian Water, partly through their involvement in the scrutiny process and the better understanding of their statutory

¹¹⁵ Particularly between residents plus councillors and Northumbrian Water.

¹¹⁶ It should be noted that following the scrutiny process there have been no extreme rainfall events comparable to a number of incidences prior to the scrutiny inquiry. Furthermore, the conclusion of the scrutiny inquiry has closed down a forum for the public to vocalise their disagreement with the service they are provided with. Nevertheless, I would argue that there have been real improvements in terms of agreement for this issue.

responsibilities, and also because improvements were made to council policy and through Northumbrian Water prioritising future works in Hartlepool. However issues like new homes being built in the town and the water companies themselves providing the lists of properties at risk of flooding to the regulator remained unresolved from the forum's point of view. Nevertheless, there seemed to be a general acceptance that improvements had been secured as a result of the scrutiny inquiry. There was a tacit view within the forum that those aspects of the issue that scrutiny did not affect were beyond its scope because they were deemed to be matters for executive decision making or part of the national regulatory framework. This view suggests a lack of ambition on the part of scrutiny to influence external hierarchical regulatory frameworks, an acceptance of the limitations of internal hierarchical decision making structures on scrutiny outcomes, and a lack of awareness/understanding of the hierarchical governance arrangements for this issue within the forum.

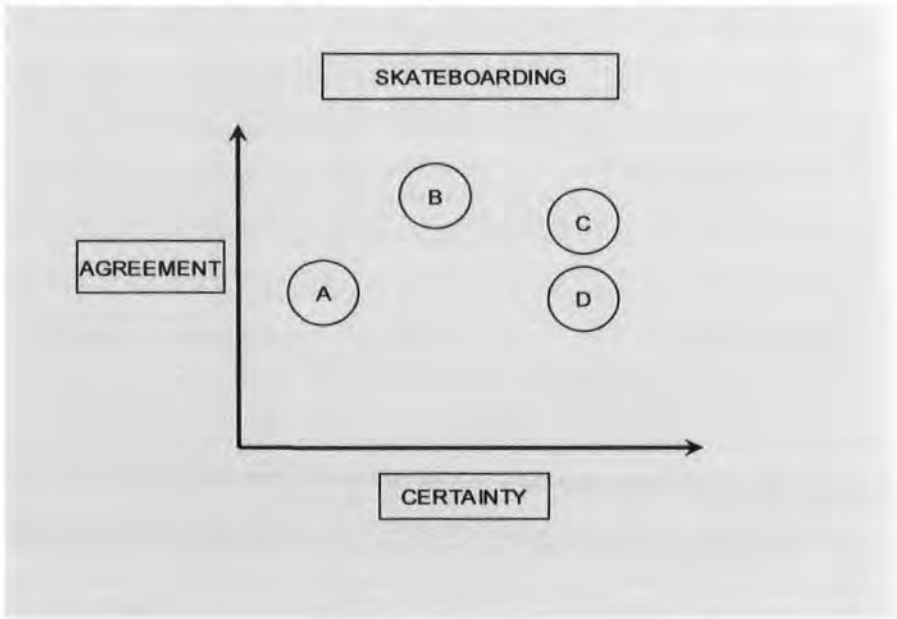
This case study represents a near complete turnaround in terms of certainty and agreement within the governance system for the flooding issue. It is clear from figure two that the scrutiny inquiry contributed to a progressive improvement in both of these. A key question emerges; why was it that scrutiny could actively contribute to a positive outcome in light of what was initially a very challenging issue? A key factor, which has been discussed earlier in this chapter, was that scrutiny was leading the process in a relatively open policy space. Furthermore, the scrutiny forum adopted the role of scrutiny as researcher, by describing and then prescribing modes of decision making and control for this issue. This is a strategy that worked for this issue because scrutiny was able to take the lead and the other actors were in broad agreement about the need for change and also over some of the causal connections required to achieve this i.e. improved co-ordination of communications between service providers and the public.

The flooding case study has demonstrated that the scrutiny process was close to maximising its opportunities for this issue. Scrutiny was well positioned to encourage more effective management of the issue in the governance system, through its role as a researcher within this system, and the links the forum made to the local authority's

community leadership role. A further key factor in the efficacy of the scrutiny process was the governance issue itself. Initially the low levels of certainty and agreement seemed to suggest that scrutiny's influence would be tightly constrained. However, given the strength of public feeling, and a genuine desire amongst partners (within their pre-defined regulatory/legislative frameworks) to move away from the continued risk of sub-optimal governance outcomes. Consequently, the governance issues represented an environment the scrutiny process was able to actively engage in and generate higher levels agreement and certainty.

Skateboarding

Figure 3: Skateboarding certainty/agreement



A. Prior to the scrutiny inquiry skateboarding in Hartlepool had become an increasingly popular activity amongst young people. In response to requests from councillors, residents and young people for some form of skating provision in the town a small skate park had been built using funding from the NRF. However, skating remained a prominent (and some argued anti-social) activity in the town centre. Consequently, there were medium levels of agreement and low certainty about the issue prior to scrutiny's involvement. This related to the need for skating

to be explored in further detail through scrutiny but there was no consensus at this stage about what the outcomes of the inquiry could be.

- B. **Point B** represents the conclusion of the first phase of the scrutiny inquiry. On 18th November 2002 the forum recommended that the council should not allocate £35,000 of the council's reserves to a private company to 'pump-prime' the development of a large indoor skate park in the town. This was rejected largely on the basis that the owner of this facility owed the council about £60,000 in rates and had managed a number of failed businesses. The remit of the inquiry to explore skating provision in the town, with particular reference to the Mill House skate park had been overtaken by the reserves issue during this stage of the inquiry. The consequence of this was that there were relatively high levels of agreement (particularly within the local authority's political structure), in relation to scrutiny's recommendation but there were only minor improvements to the certainty of the issue through scrutiny's role as a researcher in the certainty/agreement matrix..
- C. This phase of the inquiry (represented by **point C**) explored the possible developments of mobile and indoor skating facilities in the town. Neither of these options were deemed to be worthwhile investments by the forum. Consequently, no permanent governance arrangements were established for this issue because there was insufficient agreement amongst actors over how to develop these. During this stage of the process the forum met with a number of potential partners and also young skaters. In addition a 'skateboarding survey' of 71 young people was undertaken and fed back to the forum. Furthermore, indoor skate parks in nearby Thornaby and Redcar, and a mobile skate park in Sedgefield, were visited by the forum and young skaters. Consequently, through the scrutiny process members gained a much clearer understanding of skating provision in the sub-region and the interests of skaters. The demand for skating in the town was for more challenging and larger skating facilities. However, it was recognised that the sub-region was already over-supplied with these facilities. It was agreed that building a new park in the town, or entering into partnership arrangements for either an existing indoor park or a mobile skate park would not be prudent given the council's tight financial

circumstances. The forum also made some loose recommendations about the future development of skating in the town, which were not reported to the council's executive.

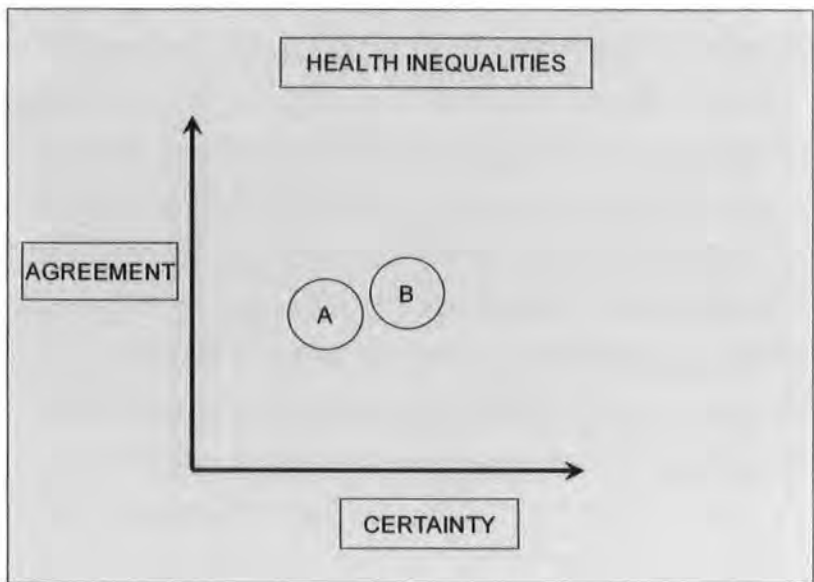
D. Following the conclusion of the skateboarding inquiry there has been little development in terms of outcomes, which will have disappointed some of the young skaters who became involved in the scrutiny process and expected improvements from this¹¹⁷. This is represented in **point D** on the graph above where the level of certainty remains constant but the agreement decreases a little.

The skateboarding scrutiny case study demonstrates a progressive improvement in the certainty and agreement amongst actors for this issue during the inquiry. However, I have speculated¹¹⁸ that the levels of agreement will have deteriorated as a result of the outcomes of the inquiry. Some members stressed that the forum could not guarantee any improvements to skating in the town as a result of its inquiry. However, by involving young people in the inquiry their aspirations were raised above what scrutiny can deliver on its own, or even what it was inclined to recommend should be delivered in this case. This is a common problem with scrutiny i.e. it needs to use public opinion to enhance its influence but often ends up falling short of the expectations of the public because of its limited powers within the governance system. Consequently, the constraint of no decision making powers for scrutiny can be overcome, to some extent, through its ability to bring additional 'voices' into the governance interactions. The adoption of this approach, and especially where there are shared objectives, adds weight to scrutiny's influence.

¹¹⁷ See section 9.4

¹¹⁸ I also discussed this briefly with a couple of the skaters.

Figure 4: Health Inequalities certainty/agreement



A. Prior to scrutiny there were reasonably high levels of agreement about the topic selection of this issue between actors in the governance network. During a scrutiny workshop attended by representatives from all the local health partners a number of potential topics for the first scrutiny inquiry under the new health scrutiny legislation were put forward. The topic of health inequalities was subsequently selected by the forum because it was a cross-cutting issue central to the town’s health profile/outcomes. However, it should be recognised that, whilst there was no vocal dissent in the governance network over the selection of this issue, the level of agreement at **point A** on figure four reflects the fact that there was relatively little to agree at this stage other than the uncontroversial notion that health inequalities are high in Hartlepool, that this was bad for the town’s residents and, therefore, should be scrutinised.

It was intended that the remit of the inquiry would serve to provide a useful introduction to the health scrutiny function. Indeed, the broad scope of the topic served to introduce councillors to a wide range of functions of the health service,

but it also proved to be a complex first inquiry to undertake. Consequently, there was limited certainty about how the inquiry would be conducted at this stage and how it could contribute to outcomes.

- B. The health inequalities case study has illustrated how the focus of the scrutiny inquiry was narrowed down from health inequalities, to inequalities in mortality, and finally to inequalities in mortality resulting from CHD and lung cancer. As a result of this there was an increase in the certainty around the issue, in terms of the causal connections leading to health inequalities. However, one of the key factors emerging from the health inequalities case study was the low levels of member engagement during the inquiry and a lack of capacity to drive the process forward. This lack of ownership meant that the certainty about the causal connections in the governance network for this issue was diluted somewhat, because most members appeared to not be following the progressive development of the line of inquiry. Consequently, the forum was unable to command a sufficient understanding of the health inequalities agenda (either nationally or locally) to develop any recommendations for its inquiry during the municipal year, and subsequently chose to pursue an alternative inquiry the following year. As a result of these factors **point B** represents a minor improvement in both certainty and agreement following the inquiry.

A key element of the health inequalities case study has been the relatively poor quality of membership of the health and social care scrutiny forum. It is widely regarded to be the weakest scrutiny forum in the council, and this is particularly unfortunate given the demanding role the new health scrutiny function places upon it. Figure three highlights the limited impact of the scrutiny inquiry on the levels of certainty and agreement. The scrutiny topic was selected in partnership between the local authority and NHS, but the forum was unable to tap into or sustain the momentum generated at the initial workshop. The lack of capacity (among members and officers) to ‘unpick’ a complex cross-cutting issue constituted a substantial internal constraint on their ability to embrace an external governance issue.

This case study draws attention to a real concern about the implications of governance on local authority scrutiny, namely that the arrangements and issues scrutiny forums are increasingly being tasked with exploring require in-depth understanding from lay members about organisations they have limited experience of. In relation to this case study there was a well defined formal role for scrutiny (under the health scrutiny powers) and a stated willingness amongst actors to work in partnership. However, the scrutiny forum was unable to utilise the opportunities present in the governance system largely because of the complex challenges the governance issue posed for members and officers capacity. However, it should be recognised that the initial remit of the inquiry highlighted the role of the investigation as a learning exercise under the new health scrutiny powers. Consequently, there are mitigating reasons for the lack of more tangible outcomes emerging from the inquiry.

Summary to Section 10.4

This section has accounted for the variations in the scrutiny process and outcomes within the framework provided by Stacey's agreement/certainty matrix. This framework effectively focuses attention on factors which are fundamental to the governability of each of the case studies. Stacey's framework can also be used prospectively to develop decision making (and therefore scrutiny) strategies, which provide a better fit with the nature of individual issues and the levels of certainty and agreement surrounding them. This conclusion is developed and applied in the next chapter so as to generate a better understanding of the limitations and possibilities of scrutiny in the context of the wider role of the state in governance. In the meantime, however, a number of cross-cutting themes have emerged from the case study that have significance for the role of the state and scrutiny's place within it.

10.5) Cross-cutting themes

The 'governance drivers' section of the previous chapter draws on Weiss's (2003) conception of high levels of risk leading to high levels of governed interdependence.

Through the ‘scrutiny window’ that the insider-researcher perspective of this study provides, risks are manifested here through risk to the political and systemic legitimacy of the local authority. Consequently, following Weiss’s argument, we would expect a hierarchy of governed interdependence approaches to emerge for the scrutiny issues in correlation to the risk to legitimacy for these issues. However, in practice a mixed picture emerges from these issues due to the interactions between a number of key dimensions that have been alluded to in earlier discussions. These are:

- Risk to legitimacy;
- Public/pressure group engagement;
- Regulation and hierarchy; and
- Certainty and agreement.

I would like to return to each of these dimensions and the implications they have for the role of the state in governance.

Risk to legitimacy

It has been argued in the previous chapter that each of the case study issues posed a political and/or systemic risk to the legitimacy of the local authority within the local governance system. The various levels of risk have been outlined in **table four** (in chapter nine). Local authorities and their elected members have a role here in two, not unrelated, respects. These are:

1. as elected representatives responding to risks to their political legitimacy; and
2. through the broader community leadership role, which encourages the local authority to respond to systemic, and political, governance risks.

It was argued earlier in this chapter that scrutiny often reduced the political risks to the legitimacy of the local authority within each case study issues. In the examples of the ghost ships, flooding, skateboarding and to a lesser extent the health inequalities inquiry, it did so more through carrying out its investigations, rather than through any great impact it had

over policy development (with the notable exception of the flooding inquiry). There are benefits from this type of accountability. As Leach (2005:6) argues an important feature of 'holding to account' is that it takes place; scrutiny can be regarded as effective if it stimulates an informed public debate about an issue, whatever the outcome.

Sullivan (2003:360) asserts that the new political management arrangements for local authorities were set out in terms of improving vertical accountability. However, she also argues that the scrutiny function has limited resources and lacks the sanctions to enforce accountability (Sullivan 2003:361). The evidence from the case studies confirms the views of both Leach and Sullivan. Thus, they suggest that scrutiny can enhance accountability to some extent, while also lacking the powers and resources to be fully effective. Indeed, it was noticeable that, at times,¹¹⁹ referrals to scrutiny were designed to create a 'buffer' between those taking decisions and the public, not least through using scrutiny to give the impression of holding decision makers to account. The ghost ships inquiry provides a good example of how the legitimacy of the authority can be enhanced without a corresponding improvement to governed interdependence. The high levels of public interest in this issue created correspondingly greater levels of political risk for the authority, which the referral to scrutiny helped to manage through its public engagement and investigatory roles. Despite the investigation of such an issue clearly falling within the community leadership and well-being roles (as articulated in the modernisation literature), this case study demonstrates that neither scrutiny nor the wider local authority is in any sense equipped to fulfil such a role in the face of global and national influences/pressures of the kinds experienced here.

Corry et al (2004:22) see the governance challenge as twofold: firstly, to establish mechanisms to allow 'owners' (participants – both users and providers) to exercise control over institutions they are not directly involved in running, and secondly, to get a range of institutions to co-operate where issues demand it. In short Corry et al (2004:22) argue that, 'governance issues are about how to get the levers of control right and about how to establish the basis for co-ordination.' The case studies have demonstrated that the nature of *governance issues* vary across the local governance system, which complicates the task of

¹¹⁹ In my overall experience as an insider researcher.

getting the levers right. Nevertheless, a common pattern emerged across the case studies, which was scrutiny's use of the community leadership role, often in conjunction with the well-being powers, as a basis for becoming involved in governance issues, and to respond to risks to legitimacy. Indeed, Randle and Hatter (2005:4) argue that the community leadership role is critical because it, 'builds on their (councils) unique and overarching democratic legitimacy, it offers them influence over a wider range of public services than they are directly responsible for and it strengthens their accountability and offers the chance to really prioritise local needs.' However, the varied outcomes across the case studies suggest that this lever was not always adequate in terms of providing the local authority and scrutiny in particular, with control over, and co-ordination of, these issues.

Beck argues (1992:48) that, 'the commonality of dangers confronts the pluralistic structure of interest group organisations with almost insoluble problems. It confuses the mutually worked out and well worn compromise routines.' Beck is arguing that these dangers are not politically reformed into preventive risk management policies, and it is unclear what sort of politics or political institutions would be capable of that. The scrutiny case studies are examples of the local authority, through the local government modernisation agenda attempting to 'forge' preventive risk management policies. However, it has been argued that they are more successful in reducing political risk to the local authority (and the broader political legitimacy of the hierarchical governance system) than systemic governance risks. This is because, through the community leadership and well-being roles, the rationale is there for local authorities and scrutiny to become involved in all the issues affecting the well-being of their residents but the governability of some issues are not receptive to a co-ordinating role by scrutiny. As discussed above evidence from the case studies supports the notion that these roles not only provide a route into governance arrangements for scrutiny but they place additional responsibilities on the local authority that it is not necessarily equipped to meet.

Corry et al argue (2004:21) that the tendency of local partnership arrangements is for 'much talk' and 'occasional' action, and that to deliver more action requires a local decision making process that can divert the resources and priorities of the partner organisations. Currently LSPs are the bodies best placed to fulfil this role; these are discussed in more

detail in chapter four. However, the scrutiny case studies have shown that LSPs do not encompass the governance arrangements for every scrutiny issue, and that whilst scrutiny inquiries can usefully ‘tap’ into the powers of well-being and the community leadership role to extend their influence, governance interactions between scrutiny and the LSP are underdeveloped¹²⁰. As a consequence, Randle and Hatter (2005) argue that a new and central community leadership role for local government is required with increased financial freedom and formal scrutiny powers over all local agencies and locally provided services.

There is also evidence from the case studies to support Habermas’ concern with the legitimacy of the political order. Harbermas argues that ‘late capitalism’ is characterised by oligopolistic corporations and state intervention to support or compensate for market mechanisms, which require legitimation (Outhwaite 1994:68). This is provided through formal representative democracy and a structurally depoliticised sphere, which secures mass loyalty but keeps participation below a level which would bring to consciousness the contradiction between administratively socialised production and the continued private appropriation of surplus value (Habermas 1976:36 in Outhwaite 1994:68). Outhwaite (1994:69) argues that the contrast here between legitimation and ‘mass loyalty’ seems much too simple to do justice to the complexity between these. Nonetheless, there is an underlying argument here that supports the idea that scrutiny fulfils an accountability role in local government and governance that engages with public aspirations but often fails to meet their expectations because of a lack of formal powers. Indeed, Stewart (2003:93) argues that, as a result of the reform of political structures, backbench councillors’ fears about the representative role they were being asked to fulfil were reinforced by the government giving no clear indication over how they would influence decision makers. It could be argued, therefore, that scrutiny attempts to increase participation to enhance the local authority’s representative role (within the governance system) and consequently its legitimacy, but by doing so it is deflecting public opinion away from decision makers in the governance system.

Public/pressure group engagement

¹²⁰ This is at least true for Hartlepool.

The notion of public and pressure group engagement in the governance issues under examination is closely related to the levels of political risk apparent for each issue. However, as well as providing an issue for local authorities to respond to in their representative capacity the case studies have also demonstrated public engagement can provide a powerful tool for scrutiny to use to enhance its influence. Furthermore, involving and engaging the public in the scrutiny issues demonstrates a shift to governance in terms of making connections to the communities to enhance the transformative capacity of the state.

Johnson and Hatter (2004:5) argue that through the new political management structures it was hoped that greater transparency, clarity and public responsiveness would reinvigorate local politics. They assert that the government hoped there would be increased public involvement by making it easier and more worthwhile for them to become involved. The case studies demonstrate that it was relatively easy for scrutiny to engage with the public where there were high levels of interest in the issue under investigation. However, it has been argued, earlier in this chapter, that the expectations of the public are not so easily met. This largely relates to the role and responsibilities of the local authority in the governance system for an issue, and those of the actors it is engaging with.

Burns (2000:969) argues that, ‘virtually the whole of the local democracy debate has centred on how to bring in the community. The reality is that there are only communit(ies), and the issue for policymakers is how to bring all their voices into the democratic system.’ The ghost ships case study highlights how scrutiny can bring a variety of voices into the democratic system but it did so for an issue that the democratic system had a limited role in, in comparison to the regulators. Indeed, the case studies generally point to scrutiny being an effective tool for responding to the ‘communities’ Burns talks about. The more salient issue here is the complexities in governance that can create varying amounts of influence for scrutiny (and the local democratic system) in the governance of different issues. Consequently, public involvement can enhance scrutiny’s potential to generate governed interdependencies but only where the responsible bodies are willing to respond to this (e.g. Northumbrian Water was responsive to public opinion by making some service improvements).

Corry et al (2004:21) argue that direct elections for public service/sector bodies such as health and police services, might deliver more action through partnerships locally and at the same time be seen as a gain for local democracy. This could complement the role of local authorities, which struggle to extend their strand of representative democracy across the whole local governance system currently¹²¹. The case studies demonstrate that scrutiny can have some impact on levels of public engagement and provide examples of meaningful involvement by the public in the scrutiny process. However, there are significant limitations on the extent to which scrutiny can be an effective tool for extending public involvement in local governance as a whole. In particular, during my time as an insider-researcher at the case study authority, the five scrutiny forums conducted on average between one and two major in-depth (internal or external) inquiries during a municipal year. Thus, large numbers of other issues cannot be covered by scrutiny or the council in its representative capacity.

Regulation and Hierarchy

Kooiman (2003:120) argues that there has been a move away from traditional mechanisms of legal constraints and bureaucratic rules in 'hierarchical governance' to more subtle forms of regulation and oversight. Despite the forces of localisation and globalisation the nation state retains a key role in allocating regulatory capacity and authority to local governance (Painter and Goodwin 2000:52). Within the UK, Painter and Goodwin (2000) talk of a lack of regulatory capacity for the local state to cope with 'uneven development'. Corry et al (2004:11) argue that, 'we need more decisions about public services and more solutions to the problems of communities taken at a local level. Our current systems of decision making centralise too much power in Whitehall.' Indeed, Kooiman (2003:117-118) argues that in modern public governance top-down control is still an important mode of controlling complex activities, but given the nature of modern public organisations as highly complex and diverse 'cobwebs', many of the 'controlling efforts' are at odds with each other. The consequences of hierarchy, and the potential incompatibility of different hierarchical influences, impacts on scrutiny in a number of ways:

¹²¹ Although, in my view local authorities should have the key co-ordinating role in the local governance system.

- Firstly, and most directly, scrutiny operates in local political and executive hierarchies, which may be a constraint on its ability to carry out its inquiries and secure the implementation of its recommendations.
- Secondly, the role of scrutiny is constrained by the extent to which the powers of local government are defined by the centre.
- Thirdly, the content of scrutiny recommendations and the extent to which they are likely to be implemented are also constrained by national policy and other hierarchical influences from the centre, some of which may be contradictory rather than mutually reinforcing.

For all of these reasons, the extent to which scrutiny can challenge or dilute the over-concentration of power at the centre is severely limited as both the ghost ships and health inequalities¹²² case studies have demonstrated.

Jayasuriya (2005:22) argues that the regulatory state's function is the 'governance of governance' that is to provide the framework around which new sites of governance are configured so that the state takes on the supervisory functions of meta-governance. It has been argued earlier in the thesis that through the shift to governance local authorities are increasingly one actor (albeit the key one) amongst many in the local governance arrangements. The varied outcomes of the scrutiny case studies have suggested there is, at times, an uncertain role for local authorities in governance, which calls into question the co-ordinating role of the national state over the governance arrangements. Indeed, Stewart (2003:253-254) identifies a number problems in the central-local relationship that need to be overcome by central government, these are:

- The model of command and control leading to over-prescription, over-inspection and over-regulation;

¹²² Through the very limited ability of local government to influence NHS priorities because of the dominant influence national targets and NSFs.

- The lack of joined-up government leading to a failure to consider the full impact of the modernisation programme for departments or the interrelationship between initiatives;
- The absence of any adequate overview of developments in central-local relations, so there has been little consideration of central government action upon local authorities; and
- Attitudes in the culture of central government that prevent a recognition of the strengths of local government and its councillors and officers.

Corry et al (2004:30) support this argument by claiming that improvements (to local governance) will be slow if 'silos' and an unwillingness to let go is reflected at the centre, 'Whitehall needs to give serious consideration to how it can perform the role of supporting local governance systems with a less centrally-driven and silo-based approach.' Furthermore, local authorities need the ability to influence other bodies and to work effectively with them so as to be able to genuinely respond to the needs of communities (Corry et al 2004:40). By clarifying the role/responsibilities of the national and local state in governance the role of scrutiny in governance issues will be simplified and it will be easier for scrutiny to know where to exert its influence when responding to problematic issues.

Loughlin and Scott (1997:213) argue that, 'the separation of policy making from the operational functions has been at the heart of a set of public sector reforms commonly referred to as New Public Management.' The consequences of these reforms still strongly impact on the role of authorities today. However, the community leadership role and powers of well-being have been a notable reaction on the part of the current government, through the local government modernisation agenda, to equip local authorities to function in this new regulatory governance context. However, it has been argued that the modernisation agenda does not always equip local authorities sufficiently to have a meaningful role in all circumstances. Furthermore, the government's rhetoric about the importance of local government as leaders in the local governance system is not reinforced with the sufficient capacity to regulate locally, or the financial freedom to support this. Local authorities have to create a role for themselves in local governance arrangements.

The case studies highlight that this can be a success (for example, the flooding inquiry) or a failure (ghost ships).

Certainty and Agreement

The application of the Stacey matrix on certainty and agreement to the scrutiny case studies has usefully highlighted the notion of the governability of the case study issues. Not all issues are equally receptive to scrutiny in terms of optimising outcomes and generating governed interdependencies. Consequently, scrutiny must adopt a role as researcher to get an understanding of the governance issue, the certainty and agreement amongst governance actors over the causal connections for the issue, and also for their desired outcomes. Strengthening the external scrutiny role¹²³ along the lines suggested for health scrutiny (see pages 184 and 239) would enhance the capacity of scrutiny to fulfil the researcher role within the governance system because governance actors would be compelled to cooperate with scrutiny. An approach of this kind would help to optimise the effectiveness of scrutiny in describing and then prescribing modes of decision making.

The scrutiny case studies have demonstrated that where there are low levels of agreement and certainty the governance actors with most power prevail. In the ghost ships case study these were regulatory bodies initially and ultimately the council's planning committee and the high court. The case studies also demonstrate that there are often high levels of uncertainty amongst actors and the public over causal connections and responsibilities for governance issues. The case studies also reveal that scrutiny can play an important role in enhancing certainty over the course of an inquiry. However, generating agreement can be harder to achieve. The scrutiny case studies illustrate a lack of ambition and poor tracking of decisions (particularly in relation to external actors) when it came to extending its recommendations across the governance system, which has resulted in limited acceptance of scrutiny's recommendations by partners.

¹²³ This argument is developed further in section 11.6.

10.6) Conclusion

This chapter has demonstrated that scrutiny can be an effective tool for responding to challenges to the legitimacy of the local authority, within the governance system. Scrutiny is capable of engaging with the public's aspirations and as such fulfils the representative role of local government. The community leadership role is central to providing the rationale for scrutiny to become involved in governance issues. However, scrutiny often lacks the power, influence, capacity and resources to take the lead for governance issues, thereby, failing to fully live up to the expectations and responsibilities generated by adopting the community leadership role. The Stacey matrix on certainty and agreement suggests that where agreement about objectives and certainty about causal connections are low then the actors with most power will prevail. This in part explains why scrutiny is not always successful in developing governed interdependencies for governance issues. However, by adopting a role as 'researcher' scrutiny can enhance the certainty amongst governance actors over an issue, which in turn can foster partnership working and enhance the agreement about governance solutions. To do so scrutiny must be well supported and members need to be provided with specialist training with regard to their role in the governance system. The final chapter contains reflections on empirically and theoretically founded opportunities and possibilities for strengthening the scrutiny function in governance.

11) Conclusions: Limits and Possibilities of Local Government Scrutiny in Governance

11.1) Introduction

This chapter provides an overview of the implications for practice and theory of the limitations and possibilities of scrutiny in the local governance system. The case studies usefully inform two opposing, or ‘polarised’, views of scrutiny in the governance system. These views will then be situated within a broader discussion of *failure* in approaches to governing. The next two sections focus on the overall implications, derived from this study, for scrutiny processes and outcomes within the wider systems of local governance. The subsequent section draws out a series of practical recommendations to improve the performance of scrutiny within this context. I will turn to some of the strengths and weaknesses of the study, before reaching some final conclusions about the limits and possibilities of local government scrutiny in governance.

11.2) Polarised Views of Scrutiny

The successes and failures of the scrutiny case studies can be used to highlight two ‘polarised’ views of the role of local government scrutiny in the wider system of governance. Firstly, scrutiny can provide a valuable *governance* role in localities. It allows councillors (as elected representatives) to look across, and potentially improve, governance arrangements for an issue. The case studies have shown how scrutiny can enhance the legitimacy of governance arrangements, and local government itself, through contributing to improving governed interdependence and the accountability of the whole system. The most notable example of this is the flooding case study.

However, the case studies also illustrate a view of scrutiny ‘at odds’ with the governance system. In this view the rhetoric of central government, largely centring on the community leadership role, provides a route for scrutiny into the governance system but once scrutiny becomes involved in an issue on this basis its role can be unclear. Furthermore, scrutiny often lacks the capacity, resources and powers to establish its position here amongst

partners, let alone to take the lead in co-ordinating them. In Kooiman's (2003) terms, therefore, the structural context of governance constrains the intentional or actor level¹²⁴ of interactions to such an extent that scrutiny lacks the space within which to perform a meaningful role. This view is illustrated, in both chapters nine and ten, by the ghost ships case study in particular.

Because these views of scrutiny are polarised, they focus on extreme tendencies of scrutiny's role within the governance system. Therefore, most examples of scrutiny inquiries in the governance system fall somewhere between these optimistic and pessimistic views of the scrutiny process, and to a large extent this is dependent on the nature of the issue under investigation. However, there are lessons that can be learnt from the scrutiny case studies that can help to develop optimal strategies/processes for the scrutiny of governance issues.

11.3) Failure in Governance and Governing

Having established that the scrutiny case studies draw attention to two polarised views of scrutiny, it is important to ground the discussion here within a brief exploration of the notion of governance failure. Indeed, Ormerod (2005:239) argues that when administering public policy, even when models are simple and rules are easily understood, there are complex interactions between agencies. He continues to assert that the interactions create such uncertainty about the future consequence of actions that the ability to plan actions in great detail and bring about intended consequences is very limited. Governance is concerned with the management of change and the reduction of complexity (Rosenau 2001:174). Indeed, it has been argued earlier in this thesis that governance is a societal 'response' to persistent and changing governing 'demands', set against ever growing societal diversity, dynamics and complexity (Kooiman 2003:3). Therefore the context I am addressing is not based on a simple model, which implies the complex interactions Ormerod describes will be intensified in a governance context. Indeed, Jessop (2003:5) argues that given the, 'growing structural complexity and opacity of the social world,

¹²⁴ Kooiman's (2003) view of this is applied to the case studies in the previous chapter.

failure is the most likely outcome of most attempts to govern it in terms of multiple objectives over extended spatial and temporal horizons – whatever co-ordination mechanism is adopted.’ The focus of this thesis has been scrutiny’s role as an accountability and co-ordinating mechanism in this context.

Indeed the application of the ‘Stacey Matrix’ to the scrutiny case studies in the previous chapter has illustrated the difficulties in achieving certainty and agreement across complex governance arrangements, between the various actors. The investigative role of scrutiny is concerned with positioning scrutiny as effectively as possible in relation to the certainty and agreement matrix. Scrutiny’s contribution to the resolution of governance issues depends on its capacity to influence decision makers. Such influence, in turn, is dependent on scrutiny clarifying the issue, bringing partners together, and ultimately suggesting strategies that increase certainty and reduce disagreement in relation to the issue being scrutinised.

Stoker (2000b:104-105) talks about two tiers of governance failure that can usefully be applied to a discussion of the limits and possibilities of local government scrutiny in the governance system. Failure at the lower tier arises from the breakdown of ongoing reflection and negotiation among partners, while Stoker (2000b:105) argues, ‘the higher tier of governance failure must be based on an assessment of its capacity to produce more effective long-term outcomes than could have been produced using markets or imperative co-ordination by the state.’ According to Stoker (2000b:105) the lower tier of governance failure relates to the ‘doing’ (i.e. process) of governance, while the higher tier relates to its ‘impact’ (i.e. outcome). The next two sections focus on the findings from the scrutiny case studies in relation to *processes* and *outcomes*.

11.4) Implications on Scrutiny Processes

In chapter two I identified some evaluative criteria for ‘good’ scrutiny. These have been applied to the scrutiny case studies in table 6, which pulls together the findings from the evaluative criteria across the case studies. The findings from this table are discussed in more detail below.

Table 6: Scrutiny Process Findings

Case Study	Links to Executive	Engagement of Non-Executive Councillors	Links to Partners	Links to Public	Achievability	Tractability	Added Value	Tracking Decisions
Ghost Ships	The majority of the cabinet attends SCC meeting on 31/10/03. However, scrutiny does not make effective internal accountability connections.	High in the committee. High outside the committee.	All key actors provide written/verbal evidence to SCC meeting on 31/10/03. No subsequent involvement.	High levels of involvement during meeting on 31/10/03.	Low – poorly defined role for scrutiny in governance arrangements. C-L role not effective here.	Low – scrutiny lacks the tools to effect the outcomes of the issue, given the normative and organisational configuration of the issue.	Issue clarified locally. Political risk to the council reduced.	Chief Executive reports back to Committee on interim recommendations on 11/5/04. Mayor does not. Planning issue ‘muddies waters’ here.
Flooding	Good. Knowledge generated through the inquiry and public engagement strengthen scrutiny’s links to executive through enhanced influence.	Forum members highly engaged, extends to all councillors through series of public meetings.	Good links to service provider. Links to regulators largely neglected.	High levels of public engagement throughout the scrutiny process.	Scrutiny effectively adopts community leadership role. Creates possibilities for the scrutiny inquiry.	Issue is improved within the regulatory framework. Not effective in seeking to change this framework.	Issue clarification and policy development . Political and systemic risk reduced.	Internal tracking reasonably effective. External tracking a significant weakness of the inquiry.

Case Study	Links to Executive	Engagement of Non-Executive Councillors	Links to Partners	Links to Public	Achievability	Tractability	Added Value	Tracking Decisions
Skateboarding	Good. Referrals from the executive with a view to scrutiny aiding policy development. General agreement over outcomes.	High in the forum. Limited links to members outside.	Strong connections during the investigation. Recommendations discourage development of long-term partnership arrangements.	Effectively engaged with the section of the public who are passionate about skateboarding.	Scrutiny effectively adopts community leadership role. Creates possibilities for the scrutiny inquiry.	Relatively open space to affect policy development. However, lack of political will to re-prioritise funding towards skating provision.	Issue clarification, some policy development but largely e.g. of non-decision making	None.
Health Inequalities	None ¹²⁵	Low in the forum. None outside the forum.	Worked closely with local PCT and NEPHO.	Meetings not attended by the public.	Scrutiny lacks capacity but has clear route into governance arrangements.	Complex issue. Proves difficult to engage members, therefore, scrutiny lacks 'comparable' expertise to influence partners.	Some issue clarification. No policy development	Incomplete inquiry

¹²⁵ Involvement of responsible portfolio holder would have come later in the inquiry.

Scrutiny's relationship to the executive is a critical factor in the influence it exerts. Leach (2002:85) argues that scrutiny's power is limited to the power to influence; consequently, the executive can choose to ignore, treat dismissively, or make positive noises but do nothing about scrutiny recommendations. A further constraint on the influence of scrutiny is the effect that concentrating power in the hands of the executive has had on officer and member relations. Consequently, Stewart (2003:88-89) argues that it is difficult for chief officers to see their responsibilities as being to the whole council, rather than to the executive. In Ashworth and Snape's (2004:545) audit of scrutiny research they argue that holding the executive to account is seen as the most problematic role for scrutiny because in reality cabinet members and senior officers would prefer other roles to be carried out. Consequently, scrutiny's influence is often constrained in this respect.

It is asserted in the evaluative criteria that effective links between scrutiny and the executive will lead to a more coherent view emerging from a local authority in relation to governance issues. The flooding and skateboarding inquiries partially support Leach's (2002:85) notion that scrutiny reports can add value if they convince the executive to change its decision/adopt a policy, or re-examine its preferred decision and provide further justification for this. In addition, the flooding case study also provides evidence of scrutiny influencing external partners outside of the executive's influence. The role of the ghost ships inquiry in improving the political legitimacy of the council as a whole, and the executive in particular, has been discussed in some detail in the previous chapter. It was also argued that the referral from the responsible portfolio holder supports Leach's (2002:82) argument that strong connections between the executive and scrutiny can be largely advantageous to the executive, as in this instance these diverted a contentious issue, and the accountability for this, away from the responsible decision maker. Scrutiny allowed itself to focus on the broad (and largely intractable) governance issues, rather than on strengthening the accountability of the executive. The health inequalities inquiry had not reached the stage when it would get evidence from the council's executive, or seek to make recommendations to it on the basis of its findings.

The efficacy of scrutiny relies on motivated members to drive the process forward. The ghost ships, flooding and skateboarding case studies provide evidence of members of the forums being engaged in the scrutiny process. Through the links that the flooding inquiry made to the neighbourhood forums¹²⁶ the forum was able to extend its influence to the majority of councillors within the case study authority. The contribution of a departmental lead officer looking to develop policy through scrutiny enhanced already high levels of member engagement, whilst the links to the neighbourhood forums further extended the influence of scrutiny by engaging the majority of councillors in the process. However, holding joint meetings with neighbourhood forums for all scrutiny inquiries would have implications for scrutiny resources and also democratic services support. Nevertheless, it could be argued that links between neighbourhood forums and scrutiny should be pursued selectively for high risk issues with a specific neighbourhood focus. The ghost ships inquiry engaged non-executive councillors in a less systematic fashion, and was largely related to the high levels of publicity surrounding the issue. The health inequalities case study, in which lower levels of member engagement were evident, is more typical of my experience during the research period. Early in 2006 (six years after the introduction of scrutiny in the case study authority) members were consulted about their views on the scrutiny process as part of an externally facilitated training programme. A common view was that the levels of interest and engagement of most councillors had diminished significantly compared with the committee system.

With the exception of the health inequalities inquiry none of the external partners involved in the scrutiny inquiries were compelled to attend scrutiny meetings or provide evidence. However, the vast majority of organisations asked to attend scrutiny did so, and those who could (or would) not attend provided written evidence. More tellingly on a number of occasions scrutiny failed to ask external bodies like Ofwat (flooding) to attend, or bodies such as Able UK or the EA (ghost ships) to re-attend. Whilst each of the case studies demonstrated reasonably good partnership working during the inquiries, scrutiny struggled to maintain such relationships with partners once the inquiries were complete. There was a lack of political (and officer) will to pursue recommendations through the wider governance networks as the flooding case study demonstrated in relation to its

¹²⁶ These meetings were attended by thirty-three out of forty-seven councillors.

recommendations to Ofwat and central government. This weakness can be attributed, to a significant degree, to a lack of ambition and capacity amongst scrutiny members and officers. In general, therefore, scrutiny seemed better able to operate at the level of horizontal relationships in local networks rather than to exert an upwards influence on hierarchical governance arrangements.

There is also some evidence here, on the part of officers, not wishing to offend partners by 'subjecting' them to the scrutiny process. This supports Leach's (2005:28-29) view that there is a delicate balancing act between holding partners to account without undermining the potential for future 'joint working'. However, Leach (2005:29) also argues that if scrutiny committees are to become public champions in relation to community leadership issues, then upsetting partners is a risk that has to be taken. However, aside from health scrutiny, the lack of formal powers for scrutiny in the governance system tends to question Snape et al's (2002:107) notion that, 'overview and scrutiny provides the public space and political process to ensure openness, transparency, accountability, responsibility and sound ethical conduct amongst the entire network of any one council's partnership working.'

In practice one of the striking findings from the analysis across all four case studies was that the LSP had almost no involvement in the scrutiny process¹²⁷. However, it was also notable that the LSP, itself, did not directly engage in any of the four case study issues. The potential interrelationship between scrutiny and the LSP does not appear to have been appreciated or pursued by either party. Given that the council's and LSP's performance assessments have highlighted the strengths of partnership working in the locality, this gap is all the more significant. However, it should also be recognised that the LSP tends to focus on strategic planning and the overall vision for a locality rather than on one off issues, of the kind which have been the focus of the case studies (with the exception of health inequalities¹²⁸) inquiries.

¹²⁷ With the exception the community empowerment network's involvement in the skateboarding inquiry. It is worth noting that, even in this case, the network's involvement is more readily explained by one of its employees also being a councillor rather than as a result of the relationship between scrutiny and the LSP.

¹²⁸ For which the LSP's involvement formed part of the (incomplete) project plan for the inquiry.

It has been argued in chapters nine and ten that public engagement can play a critical role in enhancing the influence of scrutiny by adding extra weight to the recommendations of scrutiny. It has also been argued that this can ultimately enhance the aspirations, expectations and responsibilities placed on a scrutiny inquiry, sometimes beyond the scope and capacity of scrutiny to fulfil them. Nevertheless, public engagement through scrutiny is an important means for councillors to fulfil their community leadership role and to enhance the influence of scrutiny.

The ‘achievability’ criterion covers the extent to which scrutiny has the expertise, powers and resources to conduct a successful inquiry. It is also closely related to the notion of ‘scrutiny as a researcher’ within the governance system¹²⁹ and, therefore, to the opportunities and constraints of scrutiny in relation to the governance issue. The *achievability* of scrutiny inquiries closely relates to the potential of the community leadership role to impact on issue under investigation. The flooding and skateboarding inquiries provide examples of the scrutiny function effectively engaging with the community leadership role, which has been discussed in some detail earlier in the thesis. However, the ghost ships case study demonstrates limitations on the effectiveness of scrutiny in a context where the community leadership role was itself severely constrained by hierarchical and other external interests. In this instance local authority leadership was unable to compete with these other interests, which were also seeking to exercise a leadership role in the relation to the issue.

Whilst the scrutiny process may have high levels of achievability in principle, it may not be ‘tractable’. The latter criterion is contingent on the characteristics of the issue under investigation, rather than those of the scrutiny process. The ghost ships issue proved to be the most intractable largely because the issue and potential responses were determined by other bodies outside the local authority’s sphere of effective influence. Indeed its statutory responsibilities as a planning authority constrained its ability to develop and engage in a local debate about the broader non-planning issues. In the health inequalities case study, tractability has been enhanced by virtue of the new scrutiny powers and the accompanying added legitimacy. However, the capacity of members and officers limited the potential of

¹²⁹ Which is developed in ‘Certainty and Agreement’ section of chapter ten.

scrutiny to affect the issue. The converse was true for the flooding inquiry, where scrutiny lacked the equivalent source of legitimacy but nevertheless proved to be successful.

The application of Stacey's (2000) certainty/agreement matrix to the case studies draws attention to the investigative role of scrutiny in the governance system. The implications of the analysis here is that scrutiny must seek to position itself as well as possible in relation the issue it is investigating. Consequently, Table 6 draws attention to two forms of added value, which have resulted from the case studies; issue clarification and policy development. The former is concerned with the 'scrutiny as researcher role' in the governance system and is often central to how scrutiny positions itself in relation to the governance issue. This leads to the policy development strand of scrutiny, which provided added value for the flooding and skateboarding inquiries. This will be explored in further detail in the scrutiny outcomes section below. Nevertheless, the case studies broadly illustrate a fifty per cent success rate for scrutiny in relation to this role, which suggests scrutiny can have valuable role in influencing policy makers in the local governance system.

Each of the scrutiny case studies led to issue clarification, to some extent. It has been argued earlier in this thesis that the remit of the health inequalities inquiry was the most explicitly tied to this function, due to its role in the development of the new health scrutiny role. Despite this qualification the organisational complexity of the NHS and the low levels of member engagement in the inquiry resulted in only partial success in issue clarification. The flooding and skateboarding inquiries were more successful here because of the high levels of member engagement, although the role of the regulatory framework in the flooding inquiry was perhaps understated leading to some confusion when it came to policy development. The ghost ships case study was relatively successful in clarifying the governance issue but the planning problem meant that scrutiny was unable to move towards policy development. In any case it has been suggested earlier in the thesis that scrutiny's influence would have been severely constrained by the broad focus of the inquiry given the constraints on it within the intentional level of interactions for this issue.

The scrutiny case studies demonstrate a general weakness on the part of the case study authority (officers and members alike) to track scrutiny recommendations. On a number of occasions scrutiny did not communicate its formal recommendations to other governance actors, notably to Ofwat and DEFRA in the flooding inquiry. This suggests a systems failure to follow-up the outcome of scrutiny inquiries. The need to create and maintain a scrutiny database, integrated into the scrutiny work programme, has now been recognised. Ideally scrutiny recommendations should be reported to the relevant bodies at the conclusion of each inquiry and reports on progress sought after a notified period. A basic weakness of process has been highlighted here. At one level it can be explained by congested scrutiny timetables and low levels of officer support including a long term senior officer vacancy. At a more fundamental level, however, the persistence of such process and staffing raised questions about the priority accorded to scrutiny within the authority.

11.5) Implications on Scrutiny Outcomes

Table 7 outlines the outcomes of the scrutiny inquiries in terms of: the ‘internal consensus’ generated within the scrutiny committee/forum as a result of an inquiry; the ‘local authority acceptance’ resulting from a scrutiny inquiry; and ‘acceptance by other governance actors’ of scrutiny findings/recommendations.

Table 7: Scrutiny Outcome Findings

	Internal Consensus	Local Authority Acceptance	Acceptance by Other Governance Actors
Ghost Ships	SCC unanimously agreed its interim findings.	The Chief Executive responded to scrutiny's interim findings on behalf of the cabinet. It was argued that the council had not been provided with sufficient information to lead, co-ordinate, or involve the public in the issue at an earlier stage in its development. The mayor has not responded to scrutiny's recommendation to reconsider the use of informal cabinet.	Not applicable.
Flooding	The forum was united in agreeing a series of recommendations on 30/9/03. On the 25/11/03 the forum stood by a recommendation challenged by the executive.	3 rd November 2003 cabinet approved most of scrutiny's recommendations but asked that it reconsider recommendation in relation to an embargo on further development in the local plan. The forum stood by its recommendations on the basis that no evidence or guarantees had been presented to scrutiny to suggest further development would not lead to further flooding. The cabinet did not accept the recommendation that the council should take responsibility for developing a contingency fund for flooding victims.	Northumbrian Water (at least tacitly) accepted that it needed to work more effectively with partners and communicate better with the public. Furthermore, improvements to Hartlepool's sewage were reprioritised following the scrutiny inquiry. Recommendations to other governance actors not extended.
Skateboarding	The forum reached an internal consensus over a series of recommendations during this inquiry.	The recommendations that financial reserves were not used to support the Jesters proposal was accepted by council. The mayor accepted the recommendation that the authority should not enter into a Tees Valley partnership for a mobile skatepark. There is no cabinet record of the general short and long term recommendations about skating provision from the final report.	The governance actors involved in this issue ultimately had to accept that, on the basis of scrutiny's recommendations, the local authority did not want to invest in the partnerships on offer. The lack of tracking for this issue means that little is known about their views about this, although it is expected they will have been disappointed with the outcomes.
Health Inequalities	Forum approved interim findings at last meeting of 2003/4 municipal year, and agreed to continue inquiry in the following year. However, the topic was not selected for further scrutiny at the start of the 2004/5 municipal year.	Not applicable.	Not applicable.

Across the case studies there was broad agreement over the recommendations/findings that each inquiry generated. None of the case study inquiries had to resort to voting over the recommendations¹³⁰ as a broad consensus emerged amongst the members over the course of the inquiries. This suggests that for these issues overt party politics played a limited role in decision making and that the evidence based development of the investigations led members to reach similar conclusions about the issues. The health inequalities inquiry resulted in the forum accepting the interim findings presented to them at the end of the 2003/4 municipal year and agreeing to carry over the inquiry into the following year. However, the case study also highlights that following the introduction of a new scrutiny framework during the 2004/5 municipal year the forum failed to reselect this topic for its work programme.

The general picture emerging from the case studies in relation to 'local authority acceptance' was that the local authority, and more particularly its executive, accepted scrutiny's recommendations (at least in part) once a scrutiny inquiry was complete. The skateboarding inquiry made a number of recommendations to the mayor that amounted to *not* allocating funding to enter into a variety of partnership arrangements. The case that the scrutiny forum made to the mayor was based on enhanced certainty about the issue, although it is always easier to agree to a recommendation to not spend money than to do so. The flooding inquiry adopted a similarly in-depth approach to the policy development role, which was combined with high levels of member and public engagement. This also led to scrutiny's recommendations being largely accepted by the executive. The ghost ships inquiry is still incomplete. However, a series of interim recommendations were agreed. Some months later the chief executive responded to them on behalf of the cabinet, arguing that the local authority was not in a position to lead on this issue due to the lack information available at the time. The health inequalities inquiry was not only incomplete but also did not produce any interim recommendations, in the belief that the inquiry would restart at the beginning of the next municipal year.

The case studies show that scrutiny was less successful securing 'acceptance by other governance actors' for its recommendations. The ghost ships and health inequalities were

¹³⁰ Which has happened at a number of meetings I have attended for other inquiries.

both incomplete due to a variety of factors outlined above. The flooding inquiry made a number of recommendations to external partners. Northumbrian Water broadly agreed that communications at the time of flooding incidence needed to be improved and also moved Hartlepool up its list of service improvements. However, there is no record of the recommendations to Ofwat and DEFRA being reported to these bodies, or reports back from those organisations. It is critical that scrutiny officers follow up the recommendations of the scrutiny forums and request a formal response from the bodies that it has made these to. The importance of tracking scrutiny recommendations has been highlighted above and a scrutiny database has been suggested as a way to monitor this more effectively. This would also serve to prompt officers to pursue external recommendations more vigorously because scrutiny members would be more aware of what they had recommended and what was, or was not, being done about it.

11.6) Recommendations for Practice

Scrutiny is an *imperfect tool in an imperfect system*. The sections on scrutiny processes and outcomes highlight a number of weaknesses in the scrutiny processes relating to capacity, expertise, powers and resources¹³¹. This finding is supported by Ashworth and Snape's (2004:544) audit of scrutiny research which suggests that the overview and scrutiny function was not initially perceived as a sufficient counterbalance to the executive. This view has been supported by later research, which identifies a lack of 'teeth' or influence, inadequate officer support and the impact of party politics as contributory factors towards an imbalance in councillor roles (Ibid). The external scrutiny role has remained marginal because members have generally preferred to concentrate on perfecting the process before moving onto this broader role (Ibid 2004:550). Consequently, it can be argued that the overview and scrutiny process has struggled to become a fully functioning and embedded component of local authorities' political management structures. The implication for scrutiny in the broader governance system is to question whether local authorities are equipped to fulfil an additional, and complex, duty. It has also been argued

¹³¹ There are numerous good practice guides to scrutiny, though it was never the intention of this thesis to add to them (but see for example Ashworth 2001, Ashworth and Hunt, Ashworth and Snape 2004, Dungey 2001, Johnson and Hatter 2004, Leach 2002 and 2005, Leach et al 2003, Snape 2002, Snape et al 2002, and Snape and Taylor 2001).

above that governance itself is prone to failure and scrutiny's (constrained) role in this is often poorly defined.

Ashworth and Snape's (2004) audit of scrutiny research identifies a general dissatisfaction amongst scrutiny and non-executive councillors. It has similarly become evident through my insider-research placement that most non-executive and scrutiny councillors are dissatisfied with the scrutiny function and the new political management arrangements more generally. This is significant because the scrutiny case studies all demonstrate the effectiveness of scrutiny in reducing the political risk to the legitimacy of the local authority as a whole, and the executive in particular. The case studies suggest that scrutiny has been less successful in terms of enhancing systemic legitimacy through governed interdependence. Nevertheless, it has been argued that scrutiny creates a governance role for itself in issues of public concern, and that this is encouraged by the community leadership role. Once scrutiny adopts this role it becomes a forum for a variety of aspirations, expectations and, ultimately, responsibilities within the governance system. These often enhance the influence of scrutiny through public engagement. However, in practice scrutiny's role in the governance system is often poorly defined and it lacks the capacity, powers and resources to meet the challenges and responsibilities facing it. As a consequence scrutiny members often feel that they are managing the political risks to the council and the wider governance system, but they do not feel that they have the same impact on the systemic risks i.e. in terms of affecting policy. This view is closely associated with Skelcher's (2003) argument that the functional sovereignty of councils has been fragmented by the shift to contracting and partnerships. The experience of conducting these case studies, and my participant observer role more generally, suggests that members in this authority have struggled to 'come to terms' with the changing role of the council. As a result, they have not only failed to take full advantage of the opportunities that scrutiny potentially offers but they have also generated tensions within the new political management structures, which contributes to the sense of powerlessness of the non-executive.

To counteract the sense of powerlessness of scrutiny members in the wider governance system, the five roles accorded to health scrutiny in chapter eight can usefully be applied to external scrutiny more generally:

- to scrutinise internal local authority contributions to the governance issue;
- to scrutinise the work of responsible actors in relation to the governance issue;
- to scrutinise partnership working between the responsible actors and the local authority in the governance system;
- to assess the impact of all these activities on local people; and
- to make recommendations to the appropriate bodies in relation to scrutiny findings derived from the four roles above.

Snape et al (2002:106) recommend that every council should have clauses in their constitutions making explicit the role of scrutiny in community leadership, and in developing and employing the well-being power. This would certainly help to develop internal consistency about a key outlet into the governance system for scrutiny, although if it is too tightly defined it may result in a key role for scrutiny in governance becoming constrained. The role of the local authority and, therefore, scrutiny needs to be clarified further in relation to this role in the governance system. The ODPM's (2004) *The Future of Local Government* has suggested that health scrutiny powers are extended across the local governance system. This view is supported here as it will improve scrutiny members' and officers' awareness of their role in local governance arrangements, while also improving the awareness of actors in these governance arrangements of scrutiny. This new power would also compel them to attend even if they do not like what scrutiny is saying.

In theory extending external scrutiny powers to encompass LAAs would enable scrutiny to have a more effective role in managing systemic risks and enhancing systemic legitimacy. It would provide a mechanism for combining vertical and horizontal accountability within the governance system. However, LAAs involve complex negotiations between senior officers, the LSP, other partners, the regional Government Office, and Whitehall. Consequently, there is limited room and scope for scrutiny to affect this process and scrutiny members would need training and high levels of officer support to effectively

engage in the process. Furthermore, Stewart (2003) argues that unless the machinery of central government can respond on a joined-up basis to joined-up government at a local level, then the potential for community planning will not be fully recognised. Nevertheless, extending scrutiny's role and powers to the LAA process would embed the scrutiny process beyond its current local authority base.

Recently there has been a shift in government thinking to considering whether there should be a more formal requirement for executives to act on scrutiny findings (ODPM 2005:17). What form this may take has yet to be determined, but has the potential to offset some of the concerns, highlighted in the thesis, about the role scrutiny performs in limiting risk to political legitimacy. However, it may also be problematic in terms of its implications for a local authority's internal accountability – if scrutiny is taking decisions then what is holding it to account? A simpler way forward may be to strengthen scrutiny powers to hold the executive to account by compelling cabinet to respond fully to scrutiny recommendations, rather than allowing them to be merely noted. This could be further enhanced by making it compulsory to have a joint public meeting between scrutiny and the executive when scrutiny recommendations are not accepted. These meetings would most likely attract the interest of local media enhancing the influence and accountability of scrutiny. It would also serve to place the spotlight on the scrutiny process and the validity of the recommendations it makes. Consequently, a more robust and openly accountable process would emerge – scrutiny would provide a more effective counterbalance to the executive, and the work of scrutiny itself would be more open to challenge.

Three further developments would serve to enhance the role of scrutiny within local authorities and the governance system. Firstly, the next round of CPA inspections may focus more closely on the performance of scrutiny in local authorities. Stewart (2003) highlights a number of problems with the inspection process for local authorities, which have been discussed earlier in the thesis. However, despite the weaknesses of external inspectors adequately monitoring the performance of local authorities over week long inspections, the CPA process is taken very seriously within local authorities. Consequently, the greater emphasis on scrutiny through this process could serve to refocus chief officers and executive councillors' commitment to the scrutiny process, ensure that it

becomes better resourced and that its voice is given more weight internally. Secondly, the government has added an additional strand to the next round of CPA (2006:6) Corporate Assessments, which will focus on whether, ‘the council, with its partners, has the capacity it needs to achieve its change and deliver its priorities.’ It is important that this will not only focus on local capacity to deliver priorities but also the role of central government in defining and enhancing the capacity of the local authority and its partners to meet priorities. Furthermore, given the importance (in theory at least) of scrutiny in the governance system, the CPA process should bring the role of scrutiny into the new focus it is placing on local partnership working. Finally, given the increasing centrality of LSPs in local governance (ODPM 2005a) and the lack of engagement between the LSP and scrutiny in the case studies, the findings from this research suggest that a formalisation of relationships through protocols could enhance the scrutiny/LSP relationship.

Many of these recommendations for practice will have implications on the capacity of scrutiny members and officers (and local authority officers more generally). It should be recognised that scrutiny already places potentially unsustainable demands on them due to the large range of topics that could in principle be explored. In the past members and officers developed expertise in set areas under the committee system, whereas now the tendency is to move across a wide range of specialist topics, not all of which fall under the direct responsibilities and established knowledge base of the local authority.

11.7) Strengths and Weaknesses of the Study

This study has a number of inherent strengths arising from the research strategy. First, the close engagement with the case study authority through the insider research perspective provided comprehensive access to most relevant internal processes. The insider role was then combined with a literature review of the local government modernisation agenda. This was combined with the development of a broader theoretical/conceptual framework rooted in a further literature review. By adopting a case study approach in conjunction with the insider research perspective, it has enabled me to consider the case studies in great depth, and test ideas alongside the review of literature and development of concepts. This approach has been founded in the development of key research questions derived from the

literature review and emerging conceptual framework. In turn the latter have been used to analyse the findings from the scrutiny case studies. The combination of the methods described above provides an element of informal triangulation within the research strategy. Finally, the interrelationship of findings and conceptual development provided a framework within which conclusions were drawn and recommendations advanced.

There are a number of weaknesses in the study that need addressing here. First, there is a danger that the benefits of the work placement, in terms of the access it provided, would be offset by a tendency towards subjectivity given the proximity of the researcher to the issue and actors¹³² involved. However, this tendency was minimised through adopting a reflexive¹³³ approach to working, by standing outside of the case study issues and considering my position within these. The tendencies towards subjectivity have been further minimised through the triangulation mentioned above and by returning to (and re-drafting) the case studies a minimum of a year after they were completed. This provided a new (more critical) perspective to the case studies. A second weakness of the study, resulting from the ethnographic approach, was that no surveys or questionnaires with participants were completed. Consequently, the study lacks the insight this approach generates. However, it was felt that doing so would conflict with the insider researcher role and, therefore, reduce the benefits of this approach. Thirdly, the agenda for the thesis was essentially 'given' to me through the issues pursued on the scrutiny work programme during my three years based as an insider researcher in the local authority. The focus of the thesis (on governance) acted as a filter for the scrutiny topics to select from and the case studies were chosen from the relatively small number of 'eligible' inquiries. At a different time, and in a different authority, a different set of topics may have led to different conclusions. However, this potential weakness has been addressed through the development of a wider conceptual framework and a broad knowledge of the local government modernisation agenda, which in turn generated the research questions through which the case studies are analysed.

¹³² Particularly towards a 'pro' local authority bias against other partners.

¹³³ Jessop (2003:7) refers to reflexivity as, 'the ability and commitment to uncover and make explicit to oneself the nature of one's intentions, projects, and actions and their conditions of possibility; and, in this context, to about them, critique them, and act upon any lessons that have been learnt.'

The work placement in the case study authority, which enabled me to develop an insider researcher / participant observer role in the local authority, was agreed on the basis that the local authority would not interfere with my academic research. In exchange the council gained a part-time scrutiny support officer, whilst agreeing to share information for my study. It is possible that a conflict of interest may have arisen during the conduct of the research. Fortunately this did not occur. If it had done so, the matter would have been dealt with at joint supervision session between me, my manager and my academic supervisor. The vast majority of information in the case studies is in any case available through access to information, as the minutes and reports from meetings are a matter of public record. Furthermore, each of the scrutiny meetings were open to the public to attend and advertised in the local press and notices as such. The insider research provided a greater depth in understanding of these events, and has offered insights into the internal processes surrounding these public events, without betraying any professional Given the nature of the access agreed, and the highly publicised ghost ships case study, the local authority has not been anonymised.

11.8) Conclusion

Having worked as a scrutiny officer for nearly four years, albeit in a local authority with unusual political circumstances given the inexperience and lack of political allegiances of the elected mayor, I have drawn the following conclusions about scrutiny's role within the governance system. The governance network in which the local government scrutiny function operates varies by issue. It can include international, national, regional, local and neighbourhood actors from the public, private, community and voluntary sectors. Scrutiny can play an important role in these governance arrangements, which can largely be justified through the community leadership role. However, the governance arrangements scrutiny becomes engaged in often involve complex accountability, regulatory and performance management arrangements, which can limit and constrain the possibilities of the scrutiny function. The lack of formal decision-making powers for scrutiny are a significant

weakness of the function¹³⁴, which can mean that bodies with competing aims and clearly defined responsibilities and functions can effectively ignore scrutiny's recommendations because they have their own accountability arrangements to central government or regulators that often take precedence over their responsibilities to scrutiny. Consequently, scrutiny can seek to influence and agree shared objectives with governance actors but this is often done from an imperfect understanding of a complex system. Moreover, while it can reach firm conclusions as a result of its inquiries, its lack of executive decision-making powers are an inevitable limitation on the function and restrict it to an influencing role. In this respect, the scrutiny function is consistent with the New Labour emphasis on evidence-based decision making. However, its lack of decision making powers at any point in the governance system leaves its processes open to abuse especially as the legitimacy of the role of scrutiny in governance has yet to be established.

Scrutiny is an expression of the new political system in local government. This thesis has drawn attention to a number of possibilities for this role, but to maximise these scrutiny needs to be properly resourced. Furthermore, the role and legitimacy of the scrutiny function need to become accepted, not only by the executive, but also by non-executive councillors. The role of scrutiny is situated within the context of the changing role of local authorities within the governance system. Consequently, the question arises as to how can scrutiny support and enhance the community leadership role as a means of functioning in this changing system? The evidence from the case studies suggests that the interrelationship between scrutiny and the community leadership role can become confusing. This is largely due to the lack of legitimacy for scrutiny within the wider governance system. To make scrutiny work more effectively action must be taken to strengthen the resourcing and acceptance of the function within local government, and provide it with a clearly defined external scrutiny role linked to the notion of community leadership. The complexities and competing pressures of the governance system demand a refocusing of scrutiny along these lines.

¹³⁴ However, it has been argued above that in the current system decision making powers would further confuse the role of scrutiny in governance.

Appendix A – Community Strategy Themes

Jobs and the Economy

Aim: Develop a more enterprising, vigorous and diverse local economy that will attract investment, be globally competitive and create more employment opportunities for local people. (Hartlepool Partnership 2002:11)

The objectives of this theme are grouped into the following categories:

- Knowledge driven economy;
- Sites and infrastructure;
- Business investment and support;
- Image and Tourism;
- Town centre; and
- Community (Hartlepool Partnership 2002:11).

Key Partnerships and Plans – lots of these, beyond my scope? Some (a lot) of these are Council Plans). Council leading on them, and feeding into the Community strategy, whilst theme partners also feeding back on them to the Council.

Lifelong Learning and Skills

Aim: Help all individuals, groups and organisations realise their full potential, ensure the highest quality opportunities in education, lifelong learning and training, and raise standards of attainment. (Hartlepool Partnership 2002:13)

Objectives:

- Early years and childcare;
- Achievement;
- Service providers and facilities; and

- Support and access (Hartlepool Partnership 2002:13).

Health and Care

Aim: Ensure access to the highest quality health, social care, and support services, and improve the health, life expectancy and well-being of the community. (Hartlepool Partnership 2002:16)

Objectives:

- Protecting and improving health;
- Services;
- Saving lives; and
- Vulnerable people (Hartlepool Partnership 2002:16).

Community Safety

Aim: Make Hartlepool a safer place by reducing crime, disorder and fear of crime. (Hartlepool Partnership 2002:19)

Objectives:

- Crime;
- Drug misuse;
- Young people;
- Disorder and anti-social behaviour;
- Deliberate fires;
- Business crime; and
- Fear of crime (Hartlepool Partnership 2002:19).

Environment and Housing

Aim: Secure a more attractive and sustainable environment that is safe, clean and tidy, a good infrastructure, and access to good quality and affordable housing. (Hartlepool Partnership 2002:21)

Objectives:

- Environment;
- Transport;
- Use of resources; and
- Housing (Hartlepool Partnership 2002:21-22).

Culture and Leisure

Aim: Ensure a wide range of good quality, affordable and accessible leisure and cultural opportunities. (Hartlepool Partnership 2002:24)

Objectives:

- Create a strong, positive cultural identity;
- Enable people to express local identity;
- Access to leisure and cultural services; and
- Create diversity in activities and facilities (Hartlepool Partnership 2002:24).

Strengthening Communities

Aim: Empower individuals, groups and communities, and increase the involvement of citizens in all decisions that affect their lives. (Hartlepool Partnership 2002:25)

Objectives:

- Introduce new democratic structures;
- Fully value and support voluntary and community sectors;

- Develop community capacity;
- Increase participation in consultation;
- Improve the accessibility of services and information; and
- Increase understanding and collaboration.

Appendix B – Data Collection from Scrutiny and ‘other’ Council Meetings.

In addition, to the documented sources of written evidence listed below a research diary was kept, which consists of detailed notes taken at each of the meetings listed. Further notes were taken (to complement the research diary) drawing on ‘desk based’ research and preparatory discussions with key actors over the course of each of the scrutiny case studies.

‘GHOST SHIPS’ – CASE STUDY

3/10/03: Joint Meeting of Neighbourhood Consultative Forums

- Minutes; and
- Report of the Chief Executive and the Director of Regeneration and Planning
Community Meeting: Ships Dismantling Proposals

28/10/03: Scrutiny Co-ordinating Committee

- Minutes;
- Report of the Principal Strategy and Development Officer (Scrutiny Support)
Inquiry into the Proposed Dismantling of US Navy Ships by Able UK (Scoping Paper); and
- Emails tabled at meeting of correspondence between Acting Head of Regeneration and Planning and the HSE.

31/10/03: Scrutiny Co-ordinating Committee

- Minutes;
- Presentation - Able UK
- Presentation - HSE;
- Presentation - EA;
- Presentation - English Nature;
- Presentation - INCA;
- Presentation - Harbour Master;
- Presentation - Chief Executive of HBC;
- Presentation (verbal only) - Tees Valley Regeneration;
- Presentation - Friends of the Earth; and
- Written Submissions: DEFRA, Greenpeace, R.S.P.B, One Northeast, and Hartlepool TUC.

4/11/03: ‘Extraordinary’ Council Meeting

- Minutes.

16/12/03: Scrutiny Co-ordinating Committee

- Minutes;

- Report of the Principal Strategy and Development Officer (Scrutiny Support) *The Proposed Dismantling of US Navy Ships by Able UK – Interim Report*; and
- Presentation Ghosts Ships Review – Scrutiny Support.

11/5/04: Scrutiny Co-ordinating Committee

- Minutes; and
- Report of the Chief Executive *The Dismantling of Ships by Able UK*

FLOODING – CASE STUDY

25/03/03: Environmental Stewardship and Regeneration Scrutiny Forum

- Minutes; and
- Report of the Democratic Services Manager *Flooding Inquiry – Scoping Paper*

11/7/03: Environmental Stewardship and Regeneration Scrutiny Forum

- Minutes; and
- Presentation by the Head of Technical Services *Flooding*

22/7/03: Environmental Stewardship and Regeneration Scrutiny Forum – Site Visit to Flooding ‘Hotspots’

- No papers for this meeting – as usual I took notes.

19-21/8/03: Joint meetings of Environmental Stewardship and Regeneration Scrutiny Forum and the North, South, and Central Neighbourhood Forums

- Minutes.

2/9/03: Environmental Stewardship and Regeneration Scrutiny Forum

- Minutes;
- Presentation by the Environment Agency *Flooding*; and
- Presentation by Northumbrian Water *Flooding*

30/9/03: Environmental Stewardship and Regeneration Scrutiny Forum

- Minutes; and
- Report of the Environmental Stewardship and Regeneration Scrutiny Forum *Draft Findings of the Inquiry into the Causes of Flooding in Hartlepool*

16/10/03: Environmental Stewardship and Regeneration Scrutiny Forum – Evening Meeting

- Minutes; and
- Report of the Environmental Stewardship and Regeneration Scrutiny Forum
Findings of the Inquiry into the Causes of Flooding in Hartlepool

3/11/03: Cabinet

- Minutes; and
- Report of the Environmental Stewardship and Regeneration Scrutiny Forum
Findings of the Inquiry into the Causes of Flooding in Hartlepool

25/11/03: Environmental Stewardship and Regeneration Scrutiny Forum

- Minutes; and
- Report of the Principal Strategy Development Officer (Scrutiny Support) *Inquiry into the causes of Flooding in Hartlepool. The relationship between development and the amount of flow in the sewerage system.*

15/12/03: Cabinet

- Minutes; and
- Report of the Environmental Stewardship and Regeneration Scrutiny Forum
Findings of the Inquiry into the Causes of Flooding in Hartlepool in respect of the Granting of Planning Permission in Areas Experiencing Flooding.

SKATEBOARDING – CASE STUDY

17/9/02: Culture and Learning Scrutiny Forum

- Minutes; and
- Report of Democratic Services Manager *Skateboarding Issues – Briefing Note 1*

17/10/02: Council

- Minutes

5/11/02: Culture and Learning Scrutiny Forum

- Minutes; and
- Report of the Director of Community Services *Skateboarding Issues in Hartlepool.*

12 & 18/11/02: Culture and Learning Scrutiny Forum

- Minutes; and
- Report of the Director of Community Services *Skateboarding Issues in Hartlepool* (paper reissued for this meeting).

21/11/02: Council

- Minutes.

12/8/03: Culture and Learning Scrutiny Forum

- Minutes; and
- Report of the Principal Strategy Development Officer (Scrutiny Support)
Skateboarding Inquiry Scoping Paper

19/08/03: Culture and Learning Scrutiny Forum

- Minutes; and
- Presentation Leisure Services Officer Darlington Borough Council *Proposed Development of Tees Valley Mobile Skatepark*

16/9/03: Culture and Learning Scrutiny Forum

- Minutes; and
- Report of the Director of Community Services *Skateboarding Inquiry: Findings from Site Visit to Mobile Skatepark*

26/9/03: Culture and Learning Scrutiny Forum – Site Visits to Redcar and Thornaby Indoor Skateparks

- No papers for this meeting – as usual I took notes.

14/10/03: Culture and Learning Scrutiny Forum

- Minutes; and
- Report of the Principal Strategy Development Officer (Scrutiny Support)
Skateboarding Inquiry Findings and Future Course of Action

HEALTH INEQUALITIES – CASE STUDY

5/8/03: Health and Social Care Scrutiny Forum

- Minutes; and
- Report of the Democratic Services Manager *Health Scrutiny – Scrutiny Topic Selection*

18/11/03: Health and Social Care Scrutiny Forum

- Minutes; and

- Report of Principal Strategy and Research Officer *Health Inequalities – Scoping Report*

20/1/04: Health and Social Care Scrutiny Forum

- Minutes; and
- Presentation by the North East Public Health Observatory on *Health Inequalities and Mortality*

16/3/04: Health and Social Care Scrutiny Forum

- Minutes;
- Report of Principal Strategy and Research Officer *Health Inequalities: Mortality from CHD and Lung Cancer – Scoping Report*; and
- Presentation by the Acting Director of Public Health, Hartlepool PCT *Health Inequalities: Mortality from CHD and Lung Cancer in Hartlepool*

20/4/04: Health and Social Care Scrutiny Forum

- Minutes;
- Presentation by Hartlepool PCT *Planning and Commissioning Services to Reduce Health Inequalities*; and
- Report of Principal Strategy and Research Officer *Health Inequalities – Interim Report*.

5/8/04: Health and Social Care Scrutiny Forum

- Minutes;
- Report of Principal Strategy and Research Officer *Update on Health Inequalities Inquiry*; and
- Report of Principal Strategy and Research Officer *Health Inequalities – The Local Authority Contribution*

22/09/04: Scrutiny Co-ordinating Committee

- Minutes.

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